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CONTENTS

INTER-AMERICAN AFFAIRS

Samper, Figueres Release Note to Clinton on USTR Probe *[NOTIMEX]* 1

CARIBBEAN

Cuba

Foreign Ministry Confirms U.S. Migration Talks Delegation *[PRENSA LATINA]* 2
  Delegate on Upcoming Migration Talks *[Havana Radio]* 2
  Rafter 'Concentration Camps' on Agenda *[Havana Radio]* 2
  Alarcon To Head Delegation to U.S. *[Havana Radio]* 2
  Official Assesses U.S. Moves To Uphold Accord *[Havana Radio]* 3
  U.S. Migration Talks Delegation Departs *[Havana Radio]* 3
  PRENSA LATINA on Upcoming Talks With U.S. 3
  Delegation Arrives in New York *[PRENSA LATINA]* 4
Cuban Americans Cited on Migration Problems *[Havana TV]* 4
Spokesman on U.S. Plan To Send Panama Rafters to Guantanamo *[PRENSA LATINA]* 4
  ANPP President Opposes Moving Rafters *[Havana Radio]* 4
  More U.S. Troops Due in Panama *[Havana TV]* 5
Paper: U.S. Has Spent $760 Million on Haiti Operations *[Havana Radio]* 5
Canadian Parliamentary Delegation Pays Visit 5
  Views U.S. Blockade *[Havana Radio]* 5
  Holds Meeting With Lage *[PRENSA LATINA]* 5
  Meets With Castro *[Havana Radio]* 6
  Ends 'Fruitful' Visit *[PRENSA LATINA]* 6
Costa Rican Minister Comments on U.S. Blockade *[PRENSA LATINA]* 7
Costa Rican Vice President Reports U.S. Pressure *[Havana Radio]* 7
Costa Rica, Honduras To Open Interests Offices *[PRENSA LATINA]* 7
Castro Receives Paraguayan Delegation *[Havana Radio]* 8
Accord With Mexican Legal Institute To Continue *[Havana Radio]* 8
Storm Creates Water Shortages in Havana Vieja *[Havana Radio]* 8
  Causes Crop Losses *[PRENSA LATINA]* 8
  Affects Sugarcane, Electricity *[Havana Radio]* 9
  More on Casualties, Damage *[Havana Radio]* 9
  Further on Storm Damage *[Havana Radio]* 9
Lazo Urges Control of Youths 'Bothering' Tourists *[Havana Radio]* 10

Inter-Caribbean Affairs

OECS Chairman Protests U.S. Objection on Bananas *[CANA]* 10

Dominica

Charles Fears U.S. 'Retaliatory Action' on Bananas *[CANA]* 10

Haiti

Foreign Ministry Warns About Refugee Repatriation *[NOTIMEX]* 11
Foreign Minister Comments on Returning Refugees *[Port-au-Prince Radio]* 12
Repatriation Accord Signed With Bahamas *[Nassau Radio]* 12
  Further on Repatriation Accord *[CANA]* 13
Aristide Praises Clinton, U.S. Military *[Port-au-Prince Radio]* 13
Aristide Offers Condolences on U.S. Soldier's Death *[Port-au-Prince Radio]* 14

Michel on Death of U.S Soldier *[Port-au-Prince Radio]* 14
Deputies End Work To Protest Spokesman's Remarks *[Port-au-Prince Radio]* 14
Dismissed Military Officials Offer Aristide Support *[Port-au-Prince Radio]* 15
Demonstrators Demand Dismissal of Minister *[Port-au-Prince Radio]* 15

MEXICO

Bulletin Notes Clinton's Call to Zedillo *[Mexico City TV]* 16
Government Denies Oil Used To Guarantee U.S. Aid *[NOTIMEX]* 16
Democracy 2000 Asks Clinton Not To Back Salinas' WTO Bid *[UNOMASUNO 13 Jan]* 16
No Official Resources Used To Back Salinas' Bid *[NOTIMEX]* 17
Zedillo Sees Trade Opportunities in Asia-Pacific Region *[NOTIMEX]* 17
Views Economic Recovery *[Mexico City TV]* 18
Japanese Banks Prepare Billions of Dollars in Credits *[LA JORNADA 13 Jan]* 18
Finance Secretary Explains Recovery Plan *[Mexico City TV]* 18
Finance Secretariat Announces 1995 Fiscal Reforms *[EL FINANCIERO 13 Jan]* 20
IDB President: Markets 'Exaggerated' Economic Crisis *[NOTIMEX]* 20
Productive Sector: Exports Not To Drive Recovery *[EL FINANCIERO 9 Jan]* 21
Business Council Head: Sector Backs Economic Plan *[Mexico City TV]* 21
Price of Family Basket To Increase *[Mexico City Radio]* 22
Milk Price To Rise; Other Prices Being Negotiated *[Mexico City TV]* 23
Editorial Questions Measures Taken To Improve Economy *[LA JORNADA 12 Jan]* 23
Commentary: Domestic Purchasing Power Key to Recovery *[Mexico City TV]* 24
Zedillo Government Holds First Direct Meeting With EZLN *[Mexico City TV]* 24
EZLN Communique on Meeting *[Mexico City TV]* 25
Government Secretary: Meeting 'Positive' *[NOTIMEX]* 25
Conai Issues Communique *[LA JORNADA 16 Jan]* 25
Further on Initial Talks *[Mexico City TV]* 26
Bishop Ruiz, Government View Talks *[Mexico City Radio]* 26
Government Secretariat Issues Bulletin *[Mexico City TV]* 26
Former PRD Candidate Avendano Views EZLN Talks *[Mexico City TV]* 27
Chiapas Governor Reiterates Offer To Resign *[Mexico City Radio]* 27
Secretary: Preserving Order in Chiapas Indispensable *[NOTIMEX]* 28

CENTRAL AMERICA

Belize

Prime Minister Announces 'Surprise' Reshuffle *[CANA]* 29

Costa Rica

Battle With U.S. Foreseen Over Banana Accord *[ACAN]* 29

El Salvador

President Swears in Finance, Agriculture Ministers *[San Salvador TV]* 30

Nicaragua

Meeting Sought With Costa Rica To Solve Migration Problem *[Managua TV]* 30

Panama

Legislator Remarks on Cuban Rafters' Return *[Panama City TV]* 31
Rafters Oppose Return *[Panama City TV]* 31
Foreign Ministry: Rafters' Departure 'Irreversible' *[Panama City TV]* 32
More on Galindo Remarks *[Panama City TV]* 32
President Terms Assassination Plot 'Act of Madness' *[LA PRENSA 14 Jan]* 32
Assembly Issues Resolution on Assassination Plot *[EL SIGLO 14 Jan]* 33
Attorney General Seeks Evidence Against Plot *[LA ESTRELLA DE PANAMA 13 Jan]* 33

Boquete Police Units Transferred to Other Barracks *[LA PRENSA 13 Jan]* ... 33
Intelligence Sources Discuss 'Conspiracy' *[EL PANAMA AMERICA 13 Jan]* ... 34
Report Notes Investigation Into Foiled 'Conspiracy' *[LA ESTRELLA DE PANAMA 13 Jan]* ... 34
CTRP Not Ruling Out Plot as 'Political Ploy' *[EL PANAMA AMERICA 13 Jan]* ... 35
PRD Front Conveys Support to Perez Balladeres *[LA ESTRELLA DE PANAMA 13 Jan]* ... 35
    Involved PRD Members To Be Expelled *[EL PANAMA AMERICA 13 Jan]* ... 36
PDC Rejects 'Conspiracy' Against President *[Panama City TV]* ... 36
Individual Accused in Plot Views Charges *[Panama City TV]* ... 36
Opposition Groups Reject Plot Against President *[PANAMA AMERICA 14 Jan]* ... 37
Businessmen Fear Plot To Scare Away Investors *[ACAN]* ... 37

SOUTH AMERICA

Argentina

Economy Minister Cavallo Returns From U.S. 'Satisfied' *[TELAM]* ... 39
Cavallo: 'There is No Threat to Our Stability' *[Paris LE MONDE 13 Jan]* ... 39
Israel's Peres Arrives, Comments on Probe Into Attacks *[TELAM]* ... 39
    Further Remarks on Attack *[TELAM]* ... 40
    Meets Menem, Discusses Terrorism *[NOTICIAS ARGENTINAS]* ... 40
    Departs for Uruguay *[TELAM]* ... 41
Central Bank Chair Announces $1 Billion 'Security Fund' *[TELAM]* ... 41

Bolivia

Antinarcotics Commander Tenders Resignation *[La Paz TV]* ... 41
Army General Command Appointments Disclosed *[PRESENCIA 31 Dec]* ... 42
Aranibar Reacts to Remarks by Chilean Foreign Minister *[PRESENCIA 4 Jan]* ... 43

Brazil

Cardoso Link Denied With Man Said To Help U.S. Commerce Secretary *[AGENCIA ESTADO]* ... 43
Justice Minister 'Unaware' of U.S. Drug Aid Suspension *[AGENCIA ESTADO]* ... 43
Reactions to Suspension of U.S. Antidrug Aid Noted *[AGENCIA ESTADO]* ... 43
Editorial Notes 'Decisive' Clinton Role in Mexican Crisis *[O ESTADO DE SAO PAULO 13 Jan]* ... 44
Cardoso Decides To Grant Audiences to Lawmakers *[JORNAL DO BRASIL 12 Jan]* ... 45
Finance Minister on Privatization of State Banks *[Brasilia Radio]* ... 45
'Positive' 1994 Capital Arrival, Remittance Balance Noted *[AGENCIA ESTADO]* ... 45
December Trade Deficit 'Mistake' Affects Market *[AGENCIA ESTADO]* ... 46
Trade Deficit Figures Pressuring Interest Rates *[AGENCIA ESTADO]* ... 46
Stocks Recover After Initial Drop Over Trade Figures *[AGENCIA ESTADO]* ... 46
Financial Market Starts 16 Jan Operations 'Under Pressure' *[AGENCIA ESTADO]* ... 47

Chile

No Formal Objection to Laguna del Desierto Ruling Expected *[TELAM]* ... 47
Frei Promulgates New Law on Drug Trafficking *[Santiago TV]* ... 47

Colombia

Government Rules Out Reinstating Extradition Policy *[Santa Fe de Bogota TV]* ... 48
Escobar 'Lieutenant' Linked To Plot To Kill Prosecutor *[Santa Fe de Bogota TV]* ... 48
Glyphosate Sprayings of Illegal Crops Continue *[Santa Fe de Bogota TV]* ... 48
Power Failure Probable Cause of Airline Accident *[NOTIMEX]* ... 49
    Airline Manager Comments on Crash *[Santa Fe de Bogota TV]* ... 49
FARC Kills Six Police in Two Departments *[Santa Fe de Bogota TV]* ... 50
    FARC Attacks Continue *[Santa Fe de Bogota TV]* ... 50
Government Implements 'Operation Presence' To Secure Order *[Santa Fe de Bogota TV]* ... 51
Commentary Views Causes of Putumayo Unrest *[EL ESPECTADOR 8 Jan]* ... 51

Ecuador

Ministry Confirms Incidents on Border With Peru *[Quito Radio]* 52
    Army Chief Meets Peruvian Counterpart *[Quito Radio]* 52
Armed Forces Deny Concealing Border Occupation *[Madrid EFE]* 52
Frank Vargas' Leftist Coalition Analyzed *[VISTAZO Dec]* 53

Peru

Ecuador Urged To Solve Border Conflict 'Through Dialogue' *[Madrid EFE]* 54
Government Extends State of Emergency in Cusco *[AFP]* 55

Uruguay

'Strict Security' Implemented for Visit by Israel's Peres *[Montevideo Radio]* 55
    President-Elect Meets With Peres *[Madrid EFE]* 55
    Peres Meets Jewish Leaders, Denounces Iran *[NOTICIAS ARGENTINAS]* 56
    Lauds Ties, Links Iran to Attacks *[TELAM]* 56
    Says Peace Possible *[LA PRENSA 15 Jan]* 57
    Stresses Nonintroduction of Nuclear Weapons *[TELAM]* 58

Venezuela

Prosecutor Requests U.S. Agreement on Financial Crime *[Caracas TV]* 59
Council Approves Transfer of Deposits to State Banks *[REPORTE DE LA ECONOMIA 12 Jan]* 59
Fogade Accused of Forging Progreso Bank Documents *[Caracas TV]* 60

Samper, Figueres Release Note to Clinton on USTR Probe

PA1401003695 Mexico City NOTIMEX in Spanish 2010 GMT 13 Jan 95

[FBIS Translated Text] San Jose, 13 Jan (NOTIMEX)—It was reported here today that both Costa Rica and Colombia are facing, under separate terms, a lawsuit filed with the Office of the U.S. Trade Representative [USTR] for alleged discrimination against U.S. banana companies operating within their borders.

Colombian President Ernesto Samper and Costa Rican President Jose Maria Figueres on 12 January sent a letter to U.S. President William Clinton requesting "rigor and transparency in the investigation." The Press Office of the Costa Rican Presidency today released the letter the two heads of state sent to Clinton.

The multinational firm Chiquita Brands (formerly known as United Fruit Co.) filed the lawsuit with the U.S. Government against the two countries, alleging the nations are hampering its banana exports to Europe.

"We want to point out that, if the USTR rules against our national policies and interests, the political and economic stability of both countries will be in jeopardy," the letter to President Clinton stated.

Samper and Figueres said the banana policies implemented within the framework agreement the two nations signed in 1994 with the European Union (EU) have always been completely honest, fair, and transparent. The note also stated: "There are no other countries that have been hurt worse by the EU import system than Colombia and Costa Rica."

The note adds: "Following the frustration of having obeyed multilateral rules and having won two GATT decisions against the EU banana system—decisions in which no solutions were offered—our governments were left with no other option but to accept a partially satisfactory agreement," the letter added.

In 1994, Colombia, Costa Rica, Nicaragua, and Venezuela signed a framework agreement with the EU, granting them higher banana export quotas than other Latin American producers and 70 percent of the licenses to export to the European market.

This agreement, Samper and Figueres noted in the letter, had to be approved "to avoid a socioeconomic and political crisis, as well as to mitigate the damage sustained by our economies."

The letter stressed that "the banana issue is a very delicate issue for Colombia and Costa Rica. Waiting with our arms folded until the EU free market is restored would be extremely expensive for us." Samper and Figueres added that the adverse effects on jobs, exports, and incomes would be too grave.

In addition, the two heads of state said, "Our countries grow bananas in regions where a decline in economic activity or a loss of jobs would trigger a national security problem."

They also said that withdrawing "from the framework agreement before the complete revocation of Resolution 404 (which restricts banana imports) is unworkable for our governments from a political and economic standpoint."

They expressed their trust in "the rigor and transparency of the investigation being conducted by the USTR"—an investigation whose positive results "would contribute to making Colombia and Costa Rica more effective allies in the search for hemispheric goals."

Cuba

Foreign Ministry Confirms U.S. Migration Talks Delegation

PA1301224995 Havana PRENSA LATINA in Spanish 2031 GMT 13 Jan 95

[FBIS Translated Text] Havana, 13 Jan (PL)—The Cuban delegation to the new round of migration talks with the U.S. Government will depart for New York on 16 January.

The Cuban Foreign Ministry has reported that the delegation will be headed by Ricardo Alarcon, president of the National Assembly of the People's Power, who also led similar delegations to the two previous bilateral meetings.

Just like in the two previous occasions, the remaining members of the delegation will be Jose Arbesu, deputy chief of international relations of the Communist Party of Cuba's Central Committee; Carlos Fernandez del Cossio, director of the Foreign Ministry's North America Department; and experts Olga Miranda and Walkiria Fernandez.

Delegate on Upcoming Migration Talks

PA1401030695 Havana Radio Havana Cuba in Spanish 0000 GMT 14 Jan 95

[Report by Zenaida Costales from the "Evening Information Review" Newscast]

[FBIS Translated Text] The third round of migration talks between Cuba and the United States, which is slated to be held in New York City, is drawing near. This round will take place under special conditions because for the first time in 40 years most U.S. congressmen are Republicans. To answer whether or not this might influence the development and results of the talks, I spoke to Carlos Fernandez de Cossio, the director of the North American Office of the Cuban Foreign Relations Ministry, who is a member of the Cuban delegation that will represent us at the talks.

[Begin Fernandez de Cossio recording] The agreement we signed is a commitment between governments, and this is why domestic political events in either of the countries must not automatically... [pauses] must not lead us to believe that there will necessarily be a change in the honoring of the commitments. Obviously, when these kinds of changes take place, we naturally alter our view of those countries in which the changes occur, especially when they occur in the United States.

Nevertheless, we have no reason to believe that this change in the partisan composition of the U.S. Congress will necessarily imply a change in the U.S. position on the migration issue, which is undoubtedly an issue of national interest in the United States. It concerns everyone with the same intensity. Democrats and Republicans alike, therefore, the two parties, regardless of whether they represent a minority or a majority in Congress, must be interested in normalizing migration relations with Cuba or any other country.

[Costales] There has been a great deal of talk on migration relations, or rather on the normalization of the migration relations, between Cuba and the United States. Regardless of whether or not the agreements are complied with, some experts have said certain issues, such as travel restrictions and family remittances, hinder compliance with the agreements. Could these issues adversely affect the next round of talks?

[Fernandez de Cossio] The migration agreements undoubtedly laid the foundations for the normalization of migration relations, but considering that conditions that encourage a migration outflow still prevail, we cannot assure normalization as such. These conditions go beyond the travel restrictions implemented on 20 August, the economic blockade, and the fact that the United States continues to implement official and premeditated policies that work against Cuba—policies designed to make the Cuban people suffer and to maintain an economic blockade aimed at emasculating the country's economic potential and development. There is no doubt that these policies encourage migration. Thanks to the migration agreements, however, Cuba has made an effort to normalize migration relations. The United States also has made an effort, to a certain extent, to normalize these relations. [end recording]

Rafter 'Concentration Camps' on Agenda

FL1401155495 Havana Radio Rebelde Network in Spanish 1255 GMT 14 Jan 95

[From the "Doing Radio" program]

[FBIS Translated Text] The issue of Cuban citizens detained in concentration camps in Guantanamo naval base and in Panama will be discussed during the third round of migration talks between Cuba and the United States beginning in New York on 18 January. This announcement was made by Foreign Minister spokesman Miguel Alfonso, has stated during his regular weekly press conference.

Alfonso added that over 900 Cuban citizens have voluntarily returned to Cuba by air while 607 Cuban citizens have returned crossing the mine fields on both sides of the borderline between the naval base and Cuban territory.

The Cuban delegation to the talks will be headed once more, said Alfonso, by Ricardo Alarcon, president of the National Assembly of the People's Government.

Alarcon To Head Delegation to U.S.

FL1601183095 Havana Radio Rebelde Network in Spanish 1255 GMT 16 Jan 95

[From the "Doing Radio" program]

[FBIS Translated Text] The National News Agency reports that the Cuban delegation to the new round of migratory talks with the United States will travel to New York on 16 January, headed by Ricardo Alarcon, president of the National Assembly of the People's Government, who also headed the Cuban delegations to the two previous bilateral meetings.

Official Assesses U.S. Moves To Uphold Accord

FL1601224495 Havana Radio Rebelde Network in Spanish 1800 GMT 16 Jan 95

[From the "National Radio News"]

[FBIS Translated Text] The United States considers the migration issue of national importance, notwithstanding the recent political changes within the U.S. Congress. Dr. Esteban Morales, director of the Center for U.S. Studies, discusses the issue:

[Begin Morales recording] The U.S. Government's continuing interest in complying with the migration accord-...[pauses] It's in response to deeper aspects of U.S. politics, involving both national and international issues. This has nothing to do with the change in Congress. Of course, they will talk about it in Congress; some are already speaking out against it, because they do not want the U.S. Government to make anything easy in this matter. This is all politically based. [end recording]

With regard to the future of migratory relations between Cuba and the United States, Morales said:

[Begin Morales recording] Cuba and the United States will show their true interest in normalizing migratory relations; if not, the migration issue will merely serve as a tool of aggression against Cuba. Some people are still interested in using the U.S.-Cuban migration issue as an instrument of aggression. [end recording]

U.S. Migration Talks Delegation Departs

FL1601231295 Havana Radio Rebelde Network in Spanish 1800 GMT 16 Jan 95

[From the "National Radio News"]

[FBIS Translated Text] The Cuban delegation to the round of U.S. migration talks that will be held in New York on 18 January has departed. The delegation is headed by Ricardo Alarcon, president of the National Assembly of the People's Government, who also headed the Cuban delegations to previous rounds of talks in New York and Havana City. Jose Arbesu, deputy chief of the Central Committee's General Department of Foreign Relations, Carlos Fernandez de Cossio, head of the Foreign Ministry's North America department, and specialists Olga Miranda and Valquiria Fernandez make up the rest of the delegation.

Cuba and the United States signed an accord on 9 September 1994 in which the United States promised to, among other things, grant 20,000 visas per year to Cuban petitioners. Miguel Alfonso, Foreign Ministry spokesmen, has said that compliance with the accord and the situation of Cubans being held at the Guantanamo Naval Base—which is illegally occupied by the United States against Cuba's will—are issues to be broached at the talks.

PRENSA LATINA on Upcoming Talks With U.S.

PA1701035795 Havana PRENSA LATINA in Spanish 2111 GMT 16 Jan 95

[FBIS Translated Text] United Nations, 16 Jan (PL)—This coming Wednesday, Cuban and U.S. delegations are expected to resume talks in New York related to migration issues, which started here in September 1994 and were followed by a meeting in Havana this past October.

As in the two previous occasions, Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government [ANPP], will be heading the Cuban delegation, which also includes Jose Arbezu, Olga Miranda, Carlos Fernandez de Cossio, and Walkiria Fernandez, all of them officials linked to Cuban foreign policy.

As in Havana, the next meeting will be analyzing the status of the agreement signed in New York on 9 September.

Among other aspects, the agreement established the granting of no fewer than 20,000 visas annually to all Cuban citizens interested in traveling to the United States.

It also includes the granting of an additional quota during a one-year period, as an exception, in order to solve the problem of the so-called waiting list, in other words, individuals who can technically travel since they meet the requirements but have not yet received their visas.

Other major issues included in the agreement relate to a clear definition of the U.S. immigration law with respect to illegal exits—this represented a 180-degree turn since it is now stipulated that such immigration will not be allowed—as well as the implementation of new measures with respect to the Cuban Adjustment Act.

The act stipulated the automatic granting of asylum to all Cuban citizens who were able to reach the Unites States or were picked up during the journey from Cuba to U.S. coasts.

It should be recalled that in 1984, the United States agreed to grant 20,000 visas anually, which was never honored. From that date until 1994, it has only granted 50 percent of what it should have granted in one year.

Likewise, regarding illegal exits, prior to and up until the September 1994 agreement, Washington encouraged illegal exits by granting all sorts of opportunities to those who were able to arrive in U.S. territory and seek shelter under the Cuban Adjustment ACt.

The arrival of Alarcon and the rest of the Cuban delegation is expected in the next few hours.

Delegation Arrives in New York

PA1701125095 Havana PRENSA LATINA in Spanish 0359 GMT 17 Jan 95

[FBIS Translated Text] United Nations, 16 Jan (PL)—Ricardo Alarcon, president of the National Assembly of the People's Government of Cuba, arrived in New York on 16 January at the head of a delegation that will continue talks with the United States on migration issues.

Alarcon was greeted by Fernando Remirez de Estenoz and Bruno Rodriguez, Cuba's permanent and alternate representatives to the United Nations, respectively, as well as by other officials.

The talks will resume on 18 January and last two days. They are scheduled to take place at the headquarters of the permanent missions of Cuba and the United States at the United Nations.

This meeting, as with the previous one in Havana in November, will review compliance with the migratory agreements signed by Alarcon and Michael Skol, deputy assistant secretary of state for inter-American affairs, on behalf of the two countries on 9 September in New York.

Cuban Americans Cited on Migration Problems

FL1301180795 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 13 Jan 95

[From the "NTV" newscast]

[FBIS Translated Text] Four months after the implementation of the latest U.S. measures to exert economic pressure against Cuba, these measures are still valid, even though they oppose the reorganization process began by Cuba in April 1994 to strengthen relations with the exile community.

In addition to the reinforced U.S. blockade, on 20 August 1994 the White House barred the remittance of money to relatives in Cuba, and substantially limited Havana-Miami flights, among other measures which affect the interest of Cuban exiles in the United States, and their relatives in Cuba.

[Begin unidentified speaker arriving in Cuba recording] I have my daughter and grandson here. My daughter came nine months ago, and I had a very hard time being able to come to visit.

[Second unidentified speaker] It is unfair for a mother not to be able to visit her children and to be subject to fines of thousands of dollars. This goes far beyond politics and trade restrictions against Cuba.

[Cuban American doctor, identified by caption] The vast majority of Cuban exiles in Miami are very annoyed, however, there is a very small group of Cubans, who are very loud, organized, and rich, who support these measures. This is what is heard in the news [end recording].

Meanwhile, since April 1994, when the Nation and Migration Conference took place, Cuba has taken steps to improve relations with an important part of the exile community, who maintain their position of respect to Cuba.

[Begin Jose Cabanas, official of the Ministry of Foreign Relations (MINREX) recording] It is a very logical process, which calls for close cooperation between the MINREX—which tries to [word indistinct] and to direct this policy—and other Cuban organizations involved with the migration issue. [end recording]

Currently, Cuba does not need to take new steps, but to focus and develop what is under way. What has been done so far shows Cuba's wish to normalize the relations with the exile community, even though the migration issue continues to be used as a weapon against the Revolution.

Spokesman on U.S. Plan To Send Panama Rafters to Guantanamo

PA1301220995 Havana PRENSA LATINA in Spanish 1949 GMT 13 Jan 95

[FBIS Translated Text] Havana, 13 Jan (PL)—Cuban Foreign Ministry spokesman Miguel Alfonso told the press today that, at the upcoming meeting in New York, Cuba and the United States are expected to discuss all matters related to immigration, including the situation of Cubans held at Guantanamo Naval Base and in Panama. He also said his government's position on the announcement that the Cubans detained in Panama will be transferred to Guantanamo will be relayed at this meeting.

He added: Those people are virtually under U.S. jurisdiction and are transferred from one place to another at the U.S. Government's discretion. The matter will certainly be debated at the next round of talks scheduled to start in New York on 18 January.

Alfonso said approximately 800 Cubans have already returned home from Guantanamo at their own request, while 607 others returned through the risky procedure of crossing mine fields around the naval base.

In answer to a reporter's question, Alfonso said there is no reason to believe the current rate at which the U.S. Interests Office in Havana is granting visas will pose problems in terms of compliance with the bilateral migration agreement signed in September.

ANPP President Opposes Moving Rafters

PA1401022695 Havana Radio Havana Cuba in Spanish 0000 GMT 14 Jan 95

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Ricardo Alarcon, president of the National Assembly of the People's Government of Cuba [ANPP], has reiterated his country's oppositon to the U.S. decision to use the Guantanamo Naval Base to house Cuban rafters.

Alarcon restated Cuba's position in response to questions from Spain's EFE news agency just after learning of the U.S. Government's decision to transfer within the coming weeks nearly 8,000 Cuban illegal migrants who are confined to a base near the Panama Canal. Colonel David Holland, a U.S. Southern Command spokesman, said the transfer will take place primarily by air with some transfers occurring by sea.

Meanwhile, some 1,200 U.S. troops are scheduled to arrive in Panama to strengthen security at the Cuban rafters camps and to maintain order during their transfer to Guantanamo. It is feared that there may be disturbances in light of the refusal of many illegal Cuban migrants to return to the military enclave occupied by the United States in Cuba.

More U.S. Troops Due in Panama

FL1401024595 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 14 Jan 95

[From the "NTV" newscast]

[FBIS Translated Text] Another contingent of U.S. troops will soon arrive in Panama to reinforce the ranks of more 3,000 soldiers who guard the approximately 8,000 illegal Cuban immigrants soon to be forced to return to the U.S. Naval Base in Guantanamo. This announcement was made by the spokesman for the Southern Command, who stated that the arriving troops belong to the 101st Division. In December, the military camps around the Panama Canal were also reinforced following several clashes between Cuban rafters and U.S. soldiers.

Paper: U.S. Has Spent $760 Million on Haiti Operations

FL1301173195 Havana Radio Progreso Network in Spanish 1200 GMT 13 Jan 95

[From the "First Thing" program]

[FBIS Translated Text] On January 13, the last page of the GRANMA newspaper carries a headline that reads: The United States spends almost $2 million daily to maintain its operations in Haiti. According to a report from the U.S. congress, the U.S. government has spent over $760 million during the last 15 months in its operations in Haiti and in giving temporary refuge to Haitians who had fled from the military's repression.

Canadian Parliamentary Delegation Pays Visit

Views U.S. Blockade

FL1401150695 Havana Radio Reloj Network in Spanish 2032 GMT 13 Jan 95

[FBIS Translated Text] The Canadian parliament will discuss in February a motion condemning the U.S. blockade of Cuba, said Canadian legislator Robinson who proposed the motion.

The project calls for the Canadian government to oppose the U.S. aggression against Cuba whenever possible, addressing the issue bilaterally with Washington, or in multilateral forums, including the OAS, the UN, or hemispheric summits such as the one which took place in Miami.

Canada has rejected many times the implementation of the U.S. blockade's extra-territorial measures contemplated in the Torricelli law.

The Canadian government reinitiated official aid to Cuba in the beginning of 1994, through its program of foreign aid to development, however, this aid is provided by nongovernmental organizations.

Holds Meeting With Lage

PA1601043695 Havana PRENSA LATINA in Spanish 0115 GMT 14 Jan 95

[FBIS Translated Text] Havana, 13 Jan (PL)—Cuban Vice President Carlos Lage today described Cuban-Canadian relations as important and uninterrupted in a meeting with Canadian parliamentarians visiting the island.

During the meeting, Lage appraised the participation of Canadian companies in important sectors of the national economy as very positive and expressed the hope of Cuban officials that Canadian investments would be increased.

Lage also showed interest in Canadian expertise in the areas of investment control, tax policy, government organization, and other matters that could be useful to the process of change Cuba is experiencing.

Speaking about the national economic situation, Lage emphasized the efforts being made to overcome the current difficulties, which includes implementing economic and financial measures, which are reportedly given promising results.

The parliamentary group, composed of two senators and five deputies belonging to three parties are visiting Cuba by invitation of the National Assembly of the People's Government to identify ways to expand bilateral relations in a number of areas.

Jacques Herbert, leader of the delegation, said that their stay in Cuba has allowed them to witness the reality of the Cuban situation and the possibility of expanding bilateral relations in a number of areas.

Like other members of the delegation, deputy Jean Augustine, who is also Canadian Prime Minister Jean Chretien's secretary in parliament, expressed the groups willingness to work to make those ties feasible.

Since their arrival in Havana on Sunday, the parliamentarians have met with President Fidel Castro, Foreign Minister Roberto Robaina, and a number of other Cuban ministers.

They toured places of interest in Havana, agricultural areas adjacent to Havana Province, and Varadero beach resort.

Meets With Castro

FL1601023395 Havana Radio Rebelde Network in Spanish 1800 GMT 14 Jan 95

[From the "National Radio News"]

[FBIS Translated Text] Canadian legislators concluded a very productive visit to Cuba on 14 January, aimed at strengthening Cuban-Canadian cooperation. The Canadian delegation met President Fidel Castro and Vice President Carlos Lage [name and title as heard]. (Jan Agustin), Canadian Prime Minister Jean Chretien's parliamentary secretary, said that the results of the visit surpassed what was expected. (Agustin) pointed out that it had been a very productive exchange and that Cuba and Canada had obtained positive results. She added that independently of Canada's opposition to the blockade, mutual relations will be strengthened and more effective methods of helping the Cuban people will be found. Commander in Chief Fidel Castro highlighted the historic relations between Cuba and Canada, pointing out that Mexico and Canada are the only Western Hemisphere nations that did not give in to U.S. pressure to expel Cuba from the OAS.

Ends 'Fruitful' Visit

PA1601044295 Havana PRENSA LATINA in Spanish 1543 GMT 14 Jan 95

[By Martin Hacthoun]

[FBIS Translated Text] Havana, 14 Jan (PL)—Canadian parliamentarians today concluded a "very fruitful" visit to Cuba, which was intended to broaden bilateral cooperation. They met with President Fidel Castro and Vice President Carlos Lage.

"The results went beyond expectations. It was a fruitful exchange that will yield mutual benefits," Deputy Jean Augustine, who works also as Canadian Prime Minister Jean Chretien's parliamentary secretary, said.

"In addition to opposing the blockade, we are trying to foment our relations in several fields and to find more effective forms to be able to help the Cuban people in these difficult times," she stressed.

The delegation, which is made up by two senators and five members of the House of Commons, travelled to Cuba to pinpoint paths to increase the cooperation Canada is offering to Cuba and to tighten even more the ties with the Cuban National Assembly.

During a meeting, Fidel Castro pointed to the historical relations between Cuba and Canada, which is a country, he said, that has maintained and is maintaining relations with us in these difficult times.

Canada, along with Mexico, were the only states of the Western hemisphere to refuse to give in to U.S. pressure when it demanded the expulsion of Cuba from the OAS. Ottawa and Havana in March 1995 will mark the 50th anniversary of uninterrupted official relations.

According to Senator Jacques Herbert, who is heading the parliamentarian group, the Cuban head of state is said to be interested in increasing the number of bilateral ties.

Cuban Vice President Carlos Lage, who is in charge of the country's economic development, pointed out that "our relations are very significant" in this area.

Lage underscored that more than 30 Canadian firms maintain ties with Cuba in the form of serious and professional investments.

Conglomerates of the northern country have substantial interests in the mining, tourism, and energy fields. Joint operations in the agricultural sector, including the sugar industry, are being contemplated.

The climate of understanding and respect in which we maintain our relations facilitate the bilateral relations, Canadian Ambassador Mark Entwistle explained.

"We are holding a respectful and constructive political dialogue in our relations, facilitating the understanding and development of the bilateral relations at all levels despite our having different systems and opposing political concepts," the diplomat told PRENSA LATINA.

Besides their meetings with Fidel Castro and Carlos Lage, the parliamentarians also met with Foreign Relations Minister Roberto Robaina, Cuban Parliament President Ricardo Alarcon, and the education, fisheries, and foreign investments ministers.

During their stay, they visited places of social and medical interest, oil fields where Canadian technicians work, and the Varadero tourist resort.

It was also reported that Sven Robinson, one of the visiting legislators, in February will submit a motion in the Canadian Parliament condemning the U.S. blockade against Cuba.

Furthermore, it was reported that a group of Cuban deputies will visit the northern country at the request of their Canadian counterparts.

Costa Rican Minister Comments on U.S. Blockade

PA1701011495 Havana PRENSA LATINA in Spanish 1646 GMT 16 Jan 95

[By Silvio J. Mendiandua]

[FBIS Translated Text] Havana, 13 Jan (PL)—Costa Rica will contribute with specific steps to lift the U.S. blockade against Cuba, which in addition to being unjust, is inoperative, Arnaldo Mora, Costa Rican minister of culture, youth, and sports said here today.

In an interview with PRENSA LATINA, Mora stressed that Costa Rican President Jose Maria Figueres and Foreign Minister Fernando Naranjo have explicitly condemned the blockade against the island and have applied a policy toward Cuba different from that of previous governments.

This has been demonstrated with the exchange of interests sections, and now my five-day visit corroborates those links, which are not only political or commercial, but also include cooperation in other areas of great importance such as culture and sports.

Mora, one of the most prominent intellectuals and analysts of Costa Rican history, politics, and culture, said that the economic & commercial blockade imposed by Washington for more than 30 years has caused effects contrary to those sought by its defenders and promoters.

About his visit to Cuba, the first one by a Costa Rican minister since the rupture of relations between the two countries, Mora said it was highly positive and benefitial for the two Latin American nations.

Mora said that a letter of intent was signed to coordinate the sending of Cuban advisers to various sports activities. He added that both countries broadly explored the possibilities of exchanging cooperation in various fields, such as art, theather, dance, and literature.

Mora stressed the importance of developing sports and popular culture in his country in order to make good use of the existing potentiality in all regions.

The new social democratic government believes that sports must be developed in an orderly, scientific, and systematic manner. In that regard, cooperation with Cuba, which has obtained good results in this field, is very valuable, Mora said.

He noted that developing popular culture is focussed on a regionalization policy to expand that concept to the entire country, highlighting traditions and local artistic expressions.

Mora, who said that Cuba's experience is very positive in attaining those objectives, announced that approximately 30 Cuban advisers, professors, and trainers will arrive in his country in March to teach their respective disciplines.

I believe we have approximately 12 communities with the necessary infrastructure and organization; this number could increase as positive results are obtained and other regions follow the example, he noted.

In the cultural field, Mora, who was accompanied by General Director of Culture Eugenia Chaverri, said he studied the Cuban experience of opening cultural houses in various regions to promote the development of popular art.

Mora said that relations between Cuba and Costa Rica are in a good phase, because the installation of interests sections opens new doors and prospects on a path that not too long ago no one believed could exist.

Costa Rican Vice President Reports U.S. Pressure

FL1301150795 Havana Radio Progreso Network in Spanish 1200 GMT 13 Jan 95

[From the "First Thing" program]

[FBIS Translated Text] On 12 January, Costa Rican First Vice President Rodrigo Oreamuno admitted that the United States is pressuring Costa Rica to allow a U.S. cellular telephone company to continue its operations in Costa Rica.

Costa Rica, Honduras To Open Interests Offices

PA1501162595 Havana PRENSA LATINA in Spanish 2013 GMT 13 Jan 95

[FBIS Translated Text] Havana, 13 Jan (PL)—The Honduran and Costa Rican Governments are preparing, in agreement with Cuba, to open interests offices in Havana.

Cuban Foreign Ministry Spokesman Miguel Alonso said Honduras is willing to gradually normalize relations despite the fact that there are no formal diplomatic ties with Cuba.

He recalled that Honduras is now a nonpermanent member of the UN Security Council, representing Latin America, a post for which that country received Cuba's support.

Our country views as positive the fact that advances toward normalization are taking place within the abnormal situation of two Latin American countries that do not have diplomatic relations. The establishment of an interests office will take place once preparations are concluded, Alfonso added.

In the case of Costa Rica, Alonso confirmed that steps are also being taken to put a previously made decision into practice, even though certain definitions are still pending.

We understand that Costa Rica prefers the Spanish legation as the place for their office, but there are still details to work out.

Castro Receives Paraguayan Delegation

PA1301235795 Havana Radio Havana Cuba in Spanish 1300 GMT 13 Jan 95

[FBIS Translated Text] In Havana, Cuban President Fidel Castro said he hopes Cuba and Paraguay can resume diplomatic relations soon. He added that this decision must be made by the Paraguayan people and authorities.

Talking with a Paraguayan journalist from Radio Primero de Marzo, Castro noted that there exists a dilaogue, a people-to-people relationship, and an exchange of delegations. Castro expressed appreciation for the Paraguayan Chamber of Deputies' criticism of the U.S. embargo against Cuba.

Castro earlier received a group of Paraguayan delegates headed by Mel Filemon Gonzalez, vice president of the Chamber of Deputies.

Accord With Mexican Legal Institute To Continue

FL1401023595 Havana Radio Reloj Network in Spanish 2058 GMT 13 Jan 95

[FBIS Translated Text] The Cuban public prosecutor's office and the Institute of Legal Studies of Mexico's autonomous university have agreed on 13 January to extend a collaboration agreement among specialists to 1995. The agreement will permit the exchange of officials and specialists during 1995, among other issues of interest to both institutions.

Cuban General Public Prosecutor Juan Escalona met with Mexico's Attorney General Antonio Lozano during his visit to Mexico to discuss the strengthening of bilateral cooperation on various issues, such as the fight against drug trafficking.

In a brief statement to PRENSA LATINA following the meeting, Escalona said that he was able to confirm the wish by both parties to strengthen the cooperation links between the two legal organizations.

Storm Creates Water Shortages in Havana Vieja

FL1601163895 Havana Radio Rebelde Network in Spanish 1336 GMT 16 Jan 95

[Report by correspondent Carlos Rafael Jimenez in Havana's Provincial Assembly of People's Government [APPP] from the "Doing Radio" program—live]

[FBIS Translated Excerpt] We came to the APPP in Havana Vieja to find out about the ongoing problems with the city's water supply. The director of aqueducts was not going to be here at 0830 as I was told, but at 0900. However, since we are not on the air at that time, Conrado Martinez, president of the APPP helped me to get in touch with comrade (Danilo Abrahamtes), director of Havana's aqueducts.

(Abrahamtes) explained the problems caused by the violent rainfall on the weekend, which caused the so-called electric failures [disparos electricos] in the pumps within the wells.

The South basin which goes to Palatino has 17 wells and supplies water to Cerro, Havana Vieja, Centro Habana, and Plaza municipalities. Many of these wells suffered electric failures due to the heavy rains, and the pumps stopped working. These pumps are very old. They do not have automatic systems, therefore, they cannot start again once the electricity returns. When the electricity is gone for half a minute, for instance, it takes an hour and a half to start them. Currently, 15 wells are back in operation in the South basin. There were also electric failures in seven of the 10 pumps in Ariguanabo basin.

Additionally, when the pumps restarted after the electricity was restored, severe leaks occurred, and they are being repaired. Diez de Octubre Municipality also had water problems but due to damage in a valve which could not be repaired. Workers have found a replacement, and they are going to change the valve and restore the service. They have been working without interruption, and have restored 15 of the 17 wells of the South basin. Temporary measures were implemented, such as the use of water trucks to ease the situation. [passage omitted] These are the essential causes which have created shortages of water in some municipalities in Havana.

Causes Crop Losses

PA1601041195 Havana PRENSA LATINA in Spanish 1617 GMT 15 Jan 95

[FBIS Translated Text] Havana, 15 Jan (PL)—Cuba's western provinces today intensified their labor to restore the areas that have been hit by heavy rains since Friday causing three deaths and devastation in agricultural and urban areas.

According to Civil Defense reports, two lumber company workers died in Pinar del Rio Province due to an electrical discharge and another person died in Havana due to the partial collapse of a home.

The rains caused floods and agricultural losses, specifically in the tobacco, tomato, and bean plantations in Pinar del Rio, and paralyzed all activities in the sugar industry in Pinar del Rio Province, located in the extreme western part of the country.

Winds reaching up to 200 km per hour were felt in Sandino Municipality in Pinar del Rio and a new rainfall record was established with 42.4 mm of rain in 24 hours in the province's main municipality, later surpassed by San Juan and Martinez Municipalities with 99.6 mm.

The Sugar Industry Minister reported that he expects normalization of labor within 48 or 72 hours, while farm and industrial workers are helping to evacuate the flooded areas.

According to reports from the local meteorological institute, the El Nino Southern Cycle is the cause for this situation which has improved in the last few hours with the virtual cessation of the rains in Pinar del Rio, Havana City, Havana, and Matanzas.

Affects Sugarcane, Electricity

FL1601165095 Havana Radio Progreso Network in Spanish 1200 GMT 16 Jan 95

[From the "First Thing" program]

[FBIS Translated Text] Sugarcane harvest is paralyzed in Santiago de Cuba province due to heavy rains on Sunday night. In addition, two buildings partially collapsed in Santiago de Cuba City, and there were electrical shortages and other minor damage.

More on Casualties, Damage

FL1601014395 Havana Radio Rebelde Network in Spanish 1800 GMT 14 Jan 95

[Advisory issued by the Cuban Civil Defense force; read by Lieutenant Colonel Eriberto Diaz Perez; from the "National Radio News"—live]

[FBIS Translated Text] At 0900 [1400 GMT] on 14 January, Pinar del Rio's defense council president issued a provincewide alert due to the intense rainfall, which has reportedly averaged between 100 and 200 mm in the province. Pinar del Rio weather is expected to improve gradually from 1200 today. A total of 144 people have been evacuated to safe places, and damage to tobacco, potato, and tomato crops is being assessed.

While Havana and Havana City have also experienced heavy rain, no real damage has been reported. The weather front has been moving toward the central provinces since 1200 today. Some rain has been reported in these areas.

The Civil Defense force advises leadership and enterprise managers to take action to help drain water off flooded areas—especially water threatening crops—and to take steps to prevent unstable buildings from collapsing particularly in urban areas.

[Havana Tele Rebelde and Cuba Vision Networks in Spanish at 0100 GMT on 15 January report during the regularly scheduled "NTV" newscast: "Alfonso Ramon Yeyes Martinez, 50, was killed when the balcony and part of the roof of the old Guisa Cinema, in Cerro Municipality, Havana City, collapsed as he was walking past. Yeyes was a resident of Diez de Octubre Municipality. While there have been reports of buildings in Habana Vieja, Plaza de la Revolucion, and Playa Municipalities also suffering damage, there have been no further reports on loss of lives. The intense rains caused moderate flooding in Havana City's low-lying areas. The storm drains that were recently cleared helped prevent further damage and mishaps. The Fifth Avenue and Linea Street tunnels were closed. Power crews are currently working to restore electrical service in areas of Havana City which have been affected by the heavy rains. Havana City Civil Defense force personnel have reported that a broken pipe and a power outage have affected water and electrical service to Playa, Plaza de la Revolucion, and Centro Habana Municipalities. Efforts are currently under way to restore the service. Maribel Acosta, our colleague, noted damage to a plantain farm near Quivican Municipality during her tour of Havana Province. The total damage has not been assessed at this time."]

Further on Storm Damage

FL1701123195

[FBIS Editorial Report] The following is a compilation of several news items carried by Havana Radio Rebelde "National Radio News" program at 1800 GMT on 16 January covering the damages caused by recent heavy rains throughout the Western provinces.

Heavy rains in the Western provinces caused the death of two forest workers in Pinar del Rio Province and another person was killed in Havana City when a building partially collapsed. Tobacco, tomato, and bean fields have been flooded in Pinar del Rio.

Radio Rebelde then carried the following recorded conversation between Jose Ramon Machado Ventura, Politburo member, and correspondent Felix Fernando Garrido:

Fernando asks, "What is the current situation and how is the repair work getting on?"

Machado responds, "Last Saturday and again yesterday we held a meeting where a brief summary of the main damage was given. The most important issues we discussed were that there are still seedlings to be planted. We must start replanting in those areas that have been affected and continue with the tobacco planting campaign. The same thing holds true for vegetables and miscellaneous crops. The harvest is totally paralyzed. Paths and roads must be repaired immediately so we can continue with the harvest in two or three days and no later. This was also mentioned at the meeting. We emphasized the spirit with which all of these tasks must be confronted. On Saturday and again today we have seen just how the people, workers, population, Youth Labor Army members, and military units are working and repairing as much as possible. I pointed out that the recovery must be complete. We can not talk about partial recovery. We must obtain the same production that we had estimated. We are starting a new year and we cannot forsake anything."

In Pinar del Rio Province efforts for a total recovery have already begun. All efforts are focussed in the agricultural sector.

In Havana Province, as a result of the heavy rains, 350 houses suffered damage, 500,000 plantain trees were knocked down, and over five caballerias of tobacco were affected. The Blas Roca Calderio Contingent is presently aiding in the repair and reconstruction efforts.

Lazo Urges Control of Youths 'Bothering' Tourists

FL1301171195 Havana Radio Progreso Network in Spanish 1200 GMT 13 Jan 95

[From the "First Thing" program]

[FBIS Translated Text] Esteban Lazo, first secretary of the Communist Party of Cuba in Havana City Province, has made a call to counteract [contrarestar] tourists being bothered [asedio] by underaged youths. Lazo pointed out that measures should be taken with the people responsible for those children.

Inter-Caribbean Affairs

OECS Chairman Protests U.S. Objection on Bananas

FL1501202595 Bridgetown CANA in English 1430 GMT 15 Jan 95

[FBIS Transcribed Text] Castries, St. Lucia, Jan. 15, CANA—St. Lucia's Prime Minister John Compton has written the Clinton administration protesting a revived U.S. objection to the European Union's continued protected market for Caribbean bananas. In making the announcement, Trade Minister George Mallet said Compton, who is also the chairman of the Organisation of East Caribbean States (OECS), expressed "grave concern" over the situation in a letter to U.S. trade representative Mickey Kantor. Mallet however gave no further details on the contents of the letter, but said government was "baffled" and "extremely disturbed" by the new development, which comes just weeks after the December 9-11 Hemispheric Summit of the Americas in Miami.

"The fact that they can benefit from any growth in the (banana) market whereas we can not do the same, make us wonder why they are trying and why the U.S. is supporting them in this effort which can only result in the collapse of the economies of these small islands," Mallet said.

The United States is siding with Latin American interests calling for an end to the European regime which accords preferential treatment of African Caribbean and Pacific [ACP] states bananas.

The trade minister noted it was agreed at the Miami meeting that a joint technical group comprising U.S. and Caribbean Community (Caricom) officials would be formed to consider the issues and concerns raised in the context of the investigations made under section 301. He said it was the understanding that any action by way of a final decision would be delayed until the work of the committee had been completed.

"The committee has not yet commenced its deliberations yet we have this statement by the U.S. trade representative that the conclusions arrived at so far suggests that the European trade regime is discriminatory", Mallet said.

He said Kantor has now decided to invite the U.S. public to submit their comments and views on what specific European goods and services they should take retaliatory action.

Mallet said the "climate of confidence" in the industry which followed earlier U.S. support for special treatment of Caribbean banana exports was in danger of being seriously eroded.

He added the Windward Islands were consulting with other ACP states with a view to adopting collective measures to safeguard the interests of the group's banana producers.

Dominica

Charles Fears U.S. 'Retaliatory Action' on Bananas

FL1301132995 Bridgetown CANA in English 2050 GMT 12 Jan 95

[FBIS Transcribed Text] Roseau, Dominica, Jan. 12, CANA—Prime Minister Eugenia Charles has expressed concern over U.S. warnings of retaliation against certain European goods because of the European Union's banana regime, which affords African, Caribbean and Pacific countries a protected banana market. Washington is concerned such protection puts American companies involved in Latin America's banana industries at a disadvantage and Dame Eugenia said she was worried that U.S. retaliatory action could prompt the Europeans to re-examine the banana protocol. Charles said Europe had already compromised on the regime in the past, and expressed concern the EU might take another look at it to try to appease the Americans.

"If they do it means that we will suffer from it, because when they enlarge their quota, our quota gets smaller," Charles said. She argues that even if Caribbean banana producing countries cannot at the moment supply their quota, the time would come when they would be able to. "And so we have to fight it very hard...the (GATT waiver for the Lome convention) undertaking they gave us at the Summit (of the Americas) is not being touched on the face of it," Charles said.

Dame Eugenia argued against any U.S. proposed boycott of certain European goods, "because it is another way of their getting at our privileges under the banana regime".

She has already lodged a complaint with the Barbados-based U.S. ambassador, and Dame Eugenia said she would not rule out a formal Caribbean Community protest sent to Washington.

Head of the Antigua-based OECS [Organization of Eastern Caribbean States] Economic Affairs Secretariat Dr. Bernard Yankey expressed disappointment with the U.S. warning. "When we met in Washington at the U.S. Summit it was agreed that a committee would be set up and that committee was set up to continue discussion on this whole 3-0-1 petition," Yankey said.

301 is a trade regulation that allows Washington to take retaliation against countries perceived to be implementing practices that place U.S. exporters at a disadvantage.

Dr. Yankey said he believed the committee should have been given an opportunity to resolve existing banana differences.

The Economic Affairs Secretariat director who also was WIBDECO [Windward Islands Banana Development Company] chairman at the talks for a new banana contract with Geest, is urging Caribbean Community leaders to take a similar strong stand as they did when they signalled to Washington that they might not have attended the December Summit of the Americas, if the region's banana concerns were not put on the agenda of that hemispheric summit. "We should tell the United States that we want the committee to be put into effect immediately, so we can forego this kind of threat that is being posed on us" he told CANA.

Dr. Yankey said he was pressing for a meeting of the committee in February.

Haiti

Foreign Ministry Warns About Refugee Repatriation

PA1401193095 Mexico City NOTIMEX in Spanish 1726 GMT 14 Jan 95

[FBIS Translated Text] Port-au-Prince, 14 Jan (NOTIMEX)—The Haitian Government lacks the resources to handle the accelerated repatriation of thousands of Haitian refugees from the U.S. Guantanamo Base east of Cuba, official sources said today. Foreign Ministry sources told NOTIMEX on Saturday that the United States is implementing the accelerated repatriation without prior consultations with Prime Minister Smarck Michel.

"The democracy that has arisen in Haiti has become fragile following the avalanche of hundreds of disgruntled and aggressive fellow Haitians" whom the United States has been repatriating for several weeks from its military base in Guantanamo, said a foreign ministry official who declined to be identified. Most of the 495 refugees who arrived on Friday from Guantanamo voiced their unhappiness with their reception and the fact that the jobs the U.S. authorities promised them do not exist.

So far, 2,500 refugees have been forcibly repatriated, and 688 voluntarily agreed to return after the United States offered them $60 and "guarantees" of jobs in their country. The Foreign Ministry source said that the U.S. authorities led the refugees to believe that President Jean-Bertrand Aristide made the political decision to accelerate the repatriation. According to the source, the fact is that the Haitian Government asked Washington for a moratorium on the repatriation of Haitians so it would have time to find ways to cope with the situation.

Now the government of Prime Minister Michel is trying to find the resources to launch in February a "Permanent Refugee Service," which would be an autonomous entity coordinated by the Social Affairs Ministry. The general guidelines for the functioning of this service would be defined by an interministerial commission that would try to implement social reincorporation programs to generate employment for the repatriated Haitians through the participation of local communities.

The state budget for 1994-1995, which the National Assembly is reviewing, does not include funds earmarked for the refugees' reincorporation into society. According to the officials NOTIMEX contacted, financing for those programs will depend on aid from the UNHCR and the UN Development Program. It will also depend on funds for that purpose from the European Union and the Nordic countries.

The Foreign Ministry source said that the Finance Ministry has provided funds to allow the repatriated persons to return to their hometowns. It added that the government is studying the adoption of a "social integration plan" aimed at the 400,000 internally displaced persons who abandoned their towns because of the repression of the defunct military regime.

The 100,000 Haitian refugees in the Dominican Republic, United States, Bahamas, and other Antillean islands will also be included in that plan. The Haitian Government has the support of countries like Mexico, Guatemala, and Nicaragua that have experienced a similar problem regarding refugees, the official stated.

In the early hours of Friday, and following three days of talks, Haitian and Bahamian authorities concluded their negotiations in Port-au-Prince on the repatriation of 15,000 Haitians who are living "in an irregular situation" in that country.

The declaration of principles between the authorities of the two countries called for the establishment of a "joint commission" to study and normalize the cases of Haitian refugees in the Bahamas. It also included the release of advertisements by the Port-au-Prince Government asking Haitians to stop seeking asylum in the Bahamas.

The Bahamaian Government plans to reopen its consular services and diplomatic mission in Haiti, which were closed several years ago. Haitian Foreign Minister Claudette Werleigh received the assurances of Janet Boswick, Bahamian justice and immigration minister, that the 3,000 Haitian refugees who agreed to return to their country will be gradually repatriated. The repatriation procedures will follow a timetable to be defined by mutual agreement of the two countries.

Foreign Minister Comments on Returning Refugees

FL1401002095 Port-au-Prince Radio Metropole in French 1700 GMT 11 Jan 95

[FBIS Translated Text] An important Bahamian Government delegation is expected in Port-au-Prince. This mission will be led by the Bahamian minister of Foreign Affairs and will discuss the situation of Haitian refugees in The Bahamas with Minister of Foreign Affairs Claudette Werleigh. Mrs. Werleigh explained that the case of the refugees is one of great concern to the government and notes that the government intends to defend the Haitian refugees in The Bahamas to the Bahamian mission expected in Port-au-Prince:

[Begin Werleigh recording, in Creole] Their interest is to return the refugees. Our interest is to manage the situation with time. We are going to study the case with The Bahamas, but not only with The Bahamas. We recently met with the British ambassador who came to see me regarding Haitians living in the Turks and Caicos. Again, efforts are being made for those who can stay and those who cannot stay. Another delegation will have to go to the Turks and Caicos. The problem exists in several countries. It is a delicate and tough problem. However, it is a problem that the government must face, like so many other problems that the government must face.

[Reporter Francois] Do you have an idea of how many illegal Haitian refugees are abroad or at least in Latin America?

[Werleigh] It is difficult to give a number, especially considering all the Haitians living in the Dominican Republic. A team has worked on a plan, a plan to re-absorb the Haitians. According to the assessment they made, we have about 76,000 to 80,000 with whom we would like to work over a one-year period, so we can reintegrate them progressively. It is clear that while we would like to spread it out over a year, the other countries wish to return the people immediately. It is therefore a problem. [pauses]

We knew perfectly well that once we returned, most of the countries would want to return the Haitian refugees. We knew that many Haitians would return voluntarily and that many would be repatriated. Unfortunately, things do not always happen the way we would like them to happen. We have been back for two months, but the money we had hoped to receive to achieve some concrete projects has not yet arrived and the refugees are returning. The most the government can do right now is to give them a little money to allow them to return home, but this does not help them reintegrate the way we would like. We are very much aware of the problem. We are working on it. We are training some teams and I really hope that very soon the president will open a special office to manage the refugee issue because it is an important problem for the country. We all know what happened in 1991. We should not be overwhelmed by this case after the 1991 experience. I can tell you that it is a case that is not easy to manage because for the refugees to return and feel right, they must have a job and they must have services at their disposal. Unfortunately, right now we cannot offer them the type of services that they normally would have the right to receive, even when they are not refugees. [end recording]

Repatriation Accord Signed With Bahamas

FL1701025995 Nassau Bahamas Radio Network in English 1230 GMT 16 Jan 95

[FBIS Transcribed Excerpts] Details of an agreement signed between Bahamian and Haitian officials for the repatriation of illegal Haitian nationals from the Bahamas are expected to be made public today. Leader of the Bahamas delegation—Minister of Foreign Affairs the Honorable Janet Bostwick—and Minister of Public Safety and Immigration the Honorable C.A. Smith are expected to brief their cabinet colleagues before any other information can be made public. Jerome Sawyer was in Haiti for a few days and has this report:

[Begin recording] [Sawyer] The Haitian foreign minister, Claudette Werleigh, led the Haitian delegation in Port-au-Prince, which included Haitian Charge d'Affaires Mr. Joseph Etienne and other high-ranking Haitian officials. They whisked the Bahamians off to Petionville, where the first round of talks were held. It was late in the evening when the first session ended, and, from the looks of things, they appeared to be making slow progress. Emerging from that meeting seemingly weary, Minister Bostwick's response was only that things were going well. Thursday morning saw the start of more talks. Delegates from both countries worked late into the evening Thursday to hammer out the final details of the agreement that was two days in the making. Finally, at 0055 Friday morning, the accord was signed. Both sides shook hands, and there was agreement.

[Bostwick] The negotiations were intense. They were very (?full on what) is the most important issue with which we are concerned, and that is the repatriation, the question of repatriation. It was a question which was both difficult and painful—and I'm using, here, the words of the minister of foreign affairs of the Republic of Haiti. Nonetheless, they were conducted with forthrightness, with a concern for the difficulties which are faced by both countries.

[Smith] The agreement has just been concluded. We have a duty, first of all, to discuss the agreement at cabinet level. We intend to do that at the first opportunity on Monday, and once we have done that we will make the (?featured) details of that agreement available to everybody.

[Sawyer] The details of the agreement were not released, but it seemed like something that the Haitians and Bahamians could live with.

[Werleigh, in progress]...but, in this particular case, the interests of the two countries are not the same...[pauses] Unless it appears that, in that sense, it was a challenge, you know? But, as I said, it seems that each party understood, you know, the situation of the other one and wanted to, by the dialogue, to cooperate. They are not...[pauses] We did come to find a mutual...[pauses] an agreement.

[Etienne] Once we have [words indistinct] that the large number of Haitians who have been in the Bahamas for 15, 20 years, 30 years should have the (?status) of legal rights. That has been apparent. Once that is done, it is the responsibility of the Haitian Government to see to it that we are able to keep the Haitian people—especially from the northwest of Haiti—not to leave Haiti. [end recording]

There was reaction from the general public and from some Haitian nationals concerning plans to repatriate Haitians every 10 days from the Bahamas. Vaughn Albury reports:

[Begin Albury recording] The accord between the governments of the Commonwealth of the Bahamas and the Republic of Haiti is historic. It could mean that the illegal immigrant population here can be significantly reduced: By the end of 1995, as many as 10,000 Haitians could be repatriated from the Bahamas. [passage omitted]

With the signing of the accord, the most difficult stage looms ahead: the actual repatriation of illegal immigrants. [end recording]

Further on Repatriation Accord

FL1601192595 Bridgetown CANA in English 1635 GMT 16 Jan 95

[FBIS Transcribed Excerpt] Nassau, Bahamas, Jan. 16, CANA—A Bahamian government delegation left Haiti at the weekend with an agreement which paves the way for the Bahamas to begin its planned repatriation of thousands of illegal immigrants. [passage omitted]

Neither country was able to meet the other's specific terms and a compromise was made midway, [Bahamian Minister of Foreign Affairs] Janet Bostwick said. "We have compromised and we have an agreement, and I think the Bahamian people, when implemented, will see it makes a great deal of difference to the illegal immigration problems." Bostwick said.

Joseph Etienne, Haitian consul to the Bahamas, said that discussions are also taking place with the governments of France, Canada, the Dominican Republic and the Turks and Caicos. "We feel the Bahamas has long been supporting our people, providing hospitality and they have been carrying a heavy burden," Etienne explained. The Haitian government thought the Bahamas should be at the top of the list, he added.

The Bahamas began a voluntary registration programme for repatriation shortly after President Jean-Bertrand Aristide was returned to office last October. However, the Aristide government was reluctant to accept returning Haitians. "We recognised that the government knew that democracy is fragile at the moment, the economy is bad. All those conditions do exist. We, on the other hand, have a very severe problem with our circumstances in the Bahamas and something had to be done," Bostwick added.

The Bahamas has a population of about 254,000. The illegal Haitian population has been pegged at approximately 40,000.

Bahamian Prime Minister Hubert Ingraham has said that his country's resources are stretched to the limit as a result of illegal immigrants.

Aristide Praises Clinton, U.S. Military

FL1301214595 Port-au-Prince Signal FM Radio in French 1130 GMT 13 Jan 95

[FBIS Translated Excerpt] Haitian President Jean-Bertrand Aristide on 12 January awarded a peace medal to U.S. General David Mead, commander of the U.S.-dominated multinational force in Haiti. The ceremony for the presentation of the Haitian National Order of Honor and Merit, to thank Gen. Mead for his action in Haiti, took place at the National Palace in Port-au-Prince in the presence of 350 U.S. military of the multinational force. These participants also received badges, with the blue-and-red Haitian colors and Creole writing commemorating their participation in the democratic rebuilding of the country. Gen. Mead, commander of the 10th Mountain Division, based at Fort Drum, New York, must leave Haiti on 14 January, to be replaced in his post as commander of the multinational force by Major Gen. George N. Fisher, commander of the 27th U.S. Infantry Division based in Hawaii, which is due to replace the 10th Mountain Division units before the end of the month.

On the occasion of the awards, Aristide hailed the role played by U.S. President Bill Clinton who made the impossible possible, and urged the international community to carry on with its efforts on behalf of democracy in Haiti.

[Begin Aristide recording] The light of peace is shining. Thanks to this process, hope is bubbling like the wine of peace. May we continue to move like new men and new women, asserting all the way that it is possible to have peace on the planet. [in English] The same way we started sharing with you the dance called Opening the Gate and Peace is Coming, the same way we will tell you: When you go home, you can be assured that the gate of peace will be still open to welcome so many friends coming to visit us, helping us keeping that peace. [passage omitted] [end recording]

Gen. Mead renewed the U.S. commitment to carry on with the action initiated in Haiti on 19 September—the date of the intervention in the country by the multinational force, which allowed President Aristide to be restored to office on 15 October—until the job is done. The U.S. military in Haiti is 6,000 strong, including about 1,000 members of the Special Forces.

Aristide Offers Condolences on U.S. Soldier's Death

FL1301204495 Port-au-Prince Radio Metropole in French 1145 GMT 13 Jan 95

[FBIS Translated Text] President Aristide's spokesman, Yvon Neptune, expresses the reaction of the Haitian presidency:

[Begin Neptune recording, in Creole] It is with great sadness that we learned of the death of a U.S. soldier today in Haiti. On behalf of the Haitian people and on my own, I present my condolences to President Clinton, to the family of the deceased, and to his colleagues in the U.S. military corps. I also pray for the other wounded U.S. soldier. It is a deplorable act of violence. Such a loss of life is a tragedy. However, we are confident that such an act will not hamper the development of peace and reconciliation, the path that Haiti has chosen to follow. That was a statement from President Jean-Bertrand Aristide. [end recording]

Michel on Death of U.S Soldier

FL1401000795 Port-au-Prince Radio Metropole in French 1700 GMT 13 Jan 95

[FBIS Translated Excerpt] [Passage omitted] The Haitian prime minister stated that he was shocked by those incidents that to him, represent a catastrophe:

[Begin recording, in Creole] [Michel] I was shocked because it is the first death we have had within the multinational force since it landed on 19 September. We met with the U.S. troops and offered them our sympathy. We are aware that it is an isolated incident. It was not a planned action. At this moment, I am thinking of the two children the soldier left behind: one is five; the other is two. For me it is a catastrophe.

[Reporter] Mr. Michel, many people believe that disarming has a great deal to do with those actions being taken throughout the country. Can you tell us what you think about disarming?

[Michel] Everyone is aware that the disarming is not over. But it is not possible to collect every small weapon in circulation. In the case in question, the person had a pistol. I do not believe that the incident was directly related to disarming, but we are all aware that the disarming has not been done the way it should have been done. In any case, one should not forget that the border and the harbor are like sieves. To withdraw weapons is to add weapons. The problem must be solved more seriously and on a long-run basis.

[Reporter] Referring to the arrival of weapons, does the government have control of the border because, according to some news, many things have crossed the Haitian-Dominican border?

[Michel] I just told you that the border and the harbor are like sieves. Order has still not been established in these areas. [end recording]

Deputies End Work To Protest Spokesman's Remarks

FL1301231795 Port-au-Prince Signal FM Radio in French 1130 GMT 13 Jan 95

[Report by Daly Valet on unanimous Chamber response to Yvon Neptune statement, in Port-au-Prince on 12 Jan]

[FBIS Translated Excerpt] The Michel government has been struck a hard blow. The deputies have decided to defer the process of voting on the laws related to the budget of the Republic. The parliamentarians want a clear explanation of a statement by Yvon Neptune, spokesman for the government. Neptune had said that the government has the right to execute the electoral law without going through the Parliament. The parliamentarians thump the table with their fists and the budget of the Republic finds itself wedged for an unknown period of time. The following is a report by Daly Valet.

[Begin recording, in progress] [Valet, in Creole] ...bad news for the government authorities is that the deputies just unanimously decided to suspend all work on the draft budget for the fiscal year. The deputies made this decision after Yvon Neptune, spokesman for President Aristide, made a major statement in which he said that once the Provisional Electoral Council submits a law to the executive, the latter will ratify it. This statement gave rise to numerous protests from parliamentarians who asked for an in camera session at the very beginning of the meeting, at about 2015 GMT. The proposal to meet in camera to discuss Yvon Neptune's statement was made by Port-de-Paix Deputy [Josue LaFrance] and Rita Frederic Moncoeur.

The decision that emerged, at about 2200 GMT, from this in camera meeting is that the parliamentarians have unanimously—we say unanimously, including Alliance for Parliamentary Cohesion, Socialist Bloc, National Front for Change and Democracy parliamentary bloc, and Social Democratic Bloc parliamentarians—agreed to defer, to suspend any and all work on the budget. The deputies have issued an ultimatum to the executive, saying that so long as the draft electoral law is not submitted to the Parliament, they will not resume work on the budget. Following is Chamber of Deputies President Frantz Robert Monde announcing the deputies' decision.

[Monde, in progress] ...parliamentarians who ask that the president send as soon as possible... [pauses] The session, the resumption of the session for the budget vote will be effective when the draft electoral law is brought into the Senate. Thank you. [applause] [end recording]

Dismissed Military Officials Offer Aristide Support

FL1301193195 Port-au-Prince Radio Metropole in French 1700 GMT 12 Jan 95

[FBIS Translated Text] A group of dismissed Haitian military personnel established an operation base at the military hospital in Port-au-Prince. They met with the press on 11 January. Reporter Edner Jean filed a report:

[Begin recording] [Jean] Through this conference, the dismissed military personnel wanted to reveal to the public something that everyone was whispering about: the Haitian Armed Forces no longer exist, or do not exist, they prefer [as heard]. The institution has been brought down and reduced to its simplest expression. The speakers offer as proof the latest decision of President Aristide to integrate all the military still active into the interim police force, on one hand; and on the other hand, the Army Headquarters, symbol of the military hierarchy, has been assigned to the Ministry of Woman's Condition [Ministere de la Condition Feminine] without any further explanation, they remind us. However, the military speakers—most of them dismissed from the Army—far from complaining, deplored the fact that this measure arrived a little late. Because, according to them, the Haitian Armed Forces have knowingly worked on their own destruction:

[Unidentified serviceman] A soldier got paid ten, 12, 14 dollars to break up the Army. The general did not have the courage to tell the soldier that the money that he gave him was to destroy himself [the soldier]. He [the general] is so smart that he took the soldier's money, which he should have deposited at a bank for him, and left it at the Army Headquarters. They [not further unidentified] took the money and put it in their pocket and left. The Army as such no longer exists. There is no Army Headquarters, no military hierarchy. In the barracks, the soldiers have no command; there is no one to speak with them. We want to show the soldiers that there is no Army anymore.

[Jean] Those among the demobilized military willingly accepted their fate, because they think that the Army will have to pay sooner or later for its aberrations. Today, expelled from the institution, they gather behind the head of state in order to firmly support his action. As such, they wonder about the survivors of the Haitian Armed Forces, the 1,500 men who are left, are they saints? Let us listen to their explanation:

[Unidentified serviceman] We are asking the president to control the interim police inside the Dessalines barracks who are assuring the president's security—we know that the president is listening to us—and we are asking the people who introduced those soldiers: What is their goal, because we see that all the authors of the coup d'etat are inside? They were introduced to the president as security guards. We are asking if it is to kill the president or to cause more tears from the population. We do not know the goal of those people. We are asking the president to examine this file, and some of us here can submit some files about some of the people who are at the Dessalines barracks as security guards. We know who they are. There are some traps. The Army has always trapped people.

[Jean] The former military personnel are then converting themselves to lavalas militants. They are ready to die at the side of President Aristide if someone attempts to kill him. But where were those military during the three years of the coup d'etat?

[Unidentified serviceman] During the three years, the government was not there to help me. No one helped me. My parents know how I survived.

[Second unidentified serviceman] You asked why they [not further identified] did not let me shoot. There were many attacks during the three years; a lot was happening within the Army. There were many soldiers who are consistent. But every time an attack is staged, 10 military personnel are against and one in favor. So one could not do much. I am telling my bothers not to blame President Aristide. They must refer to their department commanders, the district and sub-district commanders—they are the ones responsible for the crisis. Every time one of us complained about the embargo killing us, someone goes to denounce the person, and very soon the person is dismissed, or deserts the Army or is killed.

[Jean] Those are some revelations regarding the running of the Haitian Army yesterday, today. The institution is facing some dark days. [end recording]

Demonstrators Demand Dismissal of Minister

FL1401000595 Port-au-Prince Radio Metropole in French 1700 GMT 13 Jan 95

[FBIS Translated Text] A few dozen people demonstrated in front of the Ministry of Public Works on 12 January, demanding the dismissal of Minister Rousseau. They accuse him of hiring people close to him.

Bulletin Notes Clinton's Call to Zedillo

PA1301133395 Mexico City XEW Television Network in Spanish 0430 GMT 13 Jan 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Tonight, approximately 25 minutes ago, the Presidency issued a bulletin stating: President Ernesto Zedillo received a telephone call from his U.S. counterpart, William Clinton, today following talks held by representatives of the Mexican and U.S. Governments regarding the current financial situation in Mexico. President Clinton agreed with President Zedillo that the solutions to Mexico's economic problems rest on the Mexicans themselves, their capacity to continue with the reforms undertaken, and implementation of the adjustment program drafted by the government. The two presidents also agreed the full success of the plan requires a support package to stabilize the financial markets in the short term.

President Clinton said his government has held talks with U.S. Congress majority and minority leaders on the significance of helping Mexico overcome its financial crisis as soon as possible. President Clinton said in this regard he has reached an agreement with congressional leaders to promote the necessary support to help restore confidence in the financial markets.

President Zedillo expressed thanks for the support offered by the U.S. Government and congressional leaders along with the international financial community, because the stabilization of the financial markets will facilitate effective compliance with the adjustment program under way in our country to overcome the economic crisis and to recover economic growth.

Government Denies Oil Used To Guarantee U.S. Aid

PA1401012295 Mexico City NOTIMEX in Spanish 0003 GMT 14 Jan 95

[FBIS Translated Text] Mexico City, 13 Jan (NOTIMEX)—The Mexican Government today denied press reports that said Mexico would deliver crude oil to guarantee the financial support received from the United States to stabilize its economy.

The Finance Secretariat labeled "imprecise" reports by various media that said the Mexican Government would deliver petroleum as a guarantee for the support stemming from the "North American financial agreement."

In a press release, the Finance Secretariat explained that the agreement is "like or similar" to operations carried out by Mexico for more than 12 years and which are commonplace in international financial markets.

Such agreements "consist of conducting, via financial operations, the payment of invoices, receipts, or serviceable accounts with the advantage that the creditor can receive the money before delivery," the press release added. Also, the secretariat denied that these operations imply "turning over our national heritage, which cannot be mortgaged, ceded, or divided from our territory. These are merely accounts being paid as a result of oil exports."

The press release was issued at the same time an announcment was made in Washington about a new U.S. plan to support Mexico to help it to overcome its financial crisis, which began in late December following the peso's devaluation of almost 40 percent.

Democracy 2000 Asks Clinton Not To Back Salinas' WTO Bid

PA1401040695 Mexico City UNOMASUNO in Spanish 13 Jan 95 p 4

[FBIS Translated Text] Representatives of the Democracy 2000 Movement have sent a letter to President William Clinton, through the U.S. Embassy in Mexico, asking him to stop supporting Carlos Salinas De Gortari's bid for the presidency of the World Trade Organization (WTO) and have held the former Mexican president responsible for the country's economic crisis.

A commission, formed by 10 people and headed by (Martin Alberto Sanchez), went to the embassy to deliver the letter to the senior official's office. Once there, they reported that on 19 January, they will ask Foreign Relations Secretary Miguel Angel Gurria to stop supporting Salinas' WTO bid.

In addition, they reported that they will send letters to the governments of the world to ensure that they will express solidarity with the Mexican people and will withdraw their support for Salinas, who is responsible for the serious economic, political, and social situation that has made millions of Mexicans live in abject poverty due to the fictitious economic programs implemented by the secretaries of state at the request of the former president.

In the letter sent to Clinton, Democracy 2000 of Mexico City asked him, "on behalf of Mexican civilian society," to express solidarity with the Mexican people.

Meanwhile in Guerrero State, the Party of the Democratic Revolution [PRD] tonight submitted to the representatives of the 19 countries attending the third Asian-Pacific Parliamentarian Forum a written petition asking them to stop expressing diplomatic support for former President Salinas and his campaign to head the WTO.

They also submitted to the diplomats copies of the request for political trial that the PRD legislative bloc filed at the Chamber of Deputies and of the charges filed at the Attorney General's Office (PGR) for crimes "against the national wealth."

Cuauhtemoc Sandoval Ramirez, secretary of the Foreign Relations Commission of the Chamber of Deputies, told the media that a letter sent to the ambassadors by Munoz explaining the situation the country is going through was also delivered.

No Official Resources Used To Back Salinas' Bid

PA1601012695 Mexico City NOTIMEX in Spanish 2333 GMT 15 Jan 95

[FBIS Translated Text] Mexico, 15 Jan (NOTIMEX)—The Mexican Foreign Relations Secretariat today said that no official economic resources or diplomatic staff whatsoever have been used to promote former President Carlos Salinas de Gortari's bid for president of the World Trade Organization (WTO).

In view of media reports citing Foreign Secretariat sources on the activities to support Salinas carried out in several countries, the secretariat affirmed that nongovernmental sources or the host countries themselves paid the promotion expenses.

The Foreign Secretariat issued a communique recalling that "the nomination of Salinas as the candidate of the Mexican Government" to head the WTO "was formally presented" on 20 June 1994.

The communique stated that following the support expressed by the heads of state who met in Cartagena de Indias, Colombia, in September, the Foreign Secretariat urged the presentation of verbal notes supporting Salinas' bid at the GATT headquarters in Geneva.

"During the ensuing months, the Foreign Secretariat instructed its ambassadors and consuls to get the support for Salinas from the many nations that signed the agreement that created the WTO," the communique added.

After listing the expressions of support for Salinas' bid by the Latin American, North American, African, Asian, and Pacific governments, the document stated that American and African nations conducted activities to promote Salinas in third countries.

"When the opportunity arose, the secretariat requested, through special diplomatic missions, the support of those strategic nations in the many regions to form a consensus supporting the Mexican candidate's WTO bid," the document reported.

In addition, the communique explained that "no economic resources whatsoever, either directly or indirectly, have been used to finance the tours conducted by the Mexican candidate to promote his bid."

The Foreign Secretariat stressed that Salinas had reported that "the stay and transportation expenses came from certain nongovernmental sources and that in most cases, the host countries themselves paid for the expenses."

Moreover, the Foreign Secretariat reported that "no official delegation whatsoever" has been placed at the disposal of the politician; "our ambassadors and charges d'affaires have carried out... their duty to attend to and facilitate the keeping of the appointments set" for Salinas.

Zedillo Sees Trade Opportunities in Asia-Pacific Region

PA1401043095 Mexico City NOTIMEX in Spanish 1939 GMT 13 Jan 95

[FBIS Translated Text] Acapulco, 13 Jan (NOTIMEX)—President Ernesto Zedillo said today in the tourist port of Acapulco that Mexico views the Asia-Pacific region as a splendid opportunity for reaching markets, capital, and technology.

In dedicating the Third Asia-Pacific Parliamentary Forum, the president affirmed: "In Mexico's strategy, the Asia-Pacific region represents an important opportunity to reach markets, capital, and technology."

The president explained that 50 percent of the world's wealth is in "the Asia-Pacific Economic Cooperation [APEC] nations."

Having closer relations with the countries of this organization it will be possible to fulfill economic capabilities and contribute to the people's progress.

"We are sure," he said, "that the road chosen for participation in the new world economy is viable and promising, and for this reason we must take advantage of Mexico's geographic position to strengthen our ties with the world."

The president said: The Pacific region is the most dynamic one in the fields of trade, technological innovation, and economic growth, and for this reason Mexico wants to participate in this dynamic situation for the benefit of its people.

Before the president of the executive committee of the forum, Yasuhiro Nakasone, Zedillo said that thanks to the transformation carried out by the Mexicans, the country has a firm basis for overcoming problems, such as the one the national economy is confronting.

On 20 December, Mexico devalued its currency by more than 30 percent and let supply and demand laws set the peso-dollar rate. As a result of this, the peso's value was reduced by almost 40 percent.

To the delegates from 25 countries who are attending the meeting, which will conclude Saturday, the president said: "We know the causes of the crisis and its risks, and we want to turn them into opportunities."

The Mexican president added: "Our efforts to overcome the economic emergency are working well, and we are committed to keep on going until there is stability, employment, and growth."

Zedillo said that the Mexican Government has the international community's support for its endeavor to overcome this difficulty.

Thursday, U.S. President William Clinton and the leaders of the U.S. Congress agreed to do what is necessary to restore currency stability in Mexico.

U.S. Treasury sources have reported that the support for Mexico will include a special credit from $25 billion to $40 billion.

Views Economic Recovery

PA1401162995 Mexico City XEW Television Network in Spanish 0430 GMT 14 Jan 95

[From the "24 Hours" newscast]

[FBIS Translated Text] President Ernesto Zedillo inaugurated the Third Parliamentary Asia-Pacific Forum on Friday in Acapulco, Guerrero State. Representatives from 24 countries are attending the forum.

[Begin Zedillo recording] Unlike other critical periods the country has experienced, today the main elements of our economy are firm and sound. Public finances are balanced. We have made a considerable deregulation effort which we will expand at all levels. Public spending is focused on strategic tasks and social development. Today our economy is one of the most open in the world. [end recording]

He added that there are encouraging signs of recovery.

During the ceremony, Yasuhiro Nakasone, chairman of the Asia-Pacific Parliamentary Forum Executive Committee, said the forum seeks to make the Asia-Pacific region prosperous, peaceful, and stable, because that is what our peoples demand.

At the conclusion of the ceremony, President Zedillo met privately with Mr. Nakasone. The former Japanese prime minister told Zedillo that Japanese businessmen have expressed their decision to increase their investments in this country in the short term because they know the current situation in Mexico is temporary and does not stem from any deeply rooted problems. Accompanied by Guerrero Governor Ruben Figueroa, Zedillo made an unscheduled visit to the Marques Port beach resort in Acapulco, where he spoke with local residents and heard their requests and demands. Despite the temperature, which was 33 degrees Celsius in the shade, the president went for a walk on the beach and was accompanied by men, women, and children. Tourists were the most surprised. During Zedillo's visit to Marques Port, he inspected the progress made in the region to provide better service to international tourists. Zedillo later returned to Mexico City.

Japanese Banks Prepare Billions of Dollars in Credits

PA1401032195 Mexico City LA JORNADA in Spanish 13 Jan 95 p 43

[By special assignment correspondents Oscar Camacho and Nestor Martinez and reporter Juan Jose Guadarrama]

[FBIS Translated Text] Acapulco, 12 Jan—Former Japanese Prime Minister Yasuhiro Nakasone has informed LA JORNADA here that five Japanese banks are preparing to grant Mexico a credit package worth several billion dollars in addition to the $1 billion Japan recently promised the Mexican Government.

Nakasone said credit lines were promised during Foreign Secretary Jose Angel Gurria's recent visit to Japan to obtain economic resources to pull Mexico out of the monetary crisis in which it has found itself immersed. These credits, which the Mexican Government has not yet officially reported, will come in addition to the $18 billion promised in recent days by the United States, Canada, and Japan.

The interview was held in the lobby of the hotel where Nakasone, now president of the Asia-Pacific Parliamentary Forum, is staying. Nakasone said these private credits "are firm," but he refused to say what the final amount would be.

Nakasone noted that Foreign Minister Jose Angel Gurria, as well as all of the Japanese banks that promised the money, handled the agreement in a very discreet fashion. He would say nothing more about the credits, except that they "are significant."

Through his delegation's official interpreter, Nakasone explained: "I cannot give figures, but I can tell you it involves billions of dollars."

Nakasone said, "because of the many years of friendship that link Japan and Mexico," and considering that this is a temporary crisis, "Japan is prepared to cooperate with the Emergency Economic Program the current Mexican Government has put in place."

He also noted that he has received reports from Mexican officials and diplomatic representatives that Mexico will be able to overcome its economic crisis in a relatively short period of time, and he expressed doubts that foreign investors would refuse to return.

Regarding Japanese investments, Nakasone said: "I think Japanese investors will keep coming to Mexico as frequently as in the past, especially once the current economic unrest stabilizes."

Nakasone added: "Japan has faith in Mexico. Japan's trust in Mexico has not changed one bit."

Regarding the Asia-Pacific Parliamentary Forum, the Japanese legislator said this is a superb opportunity for the countries of the region to discuss matters of common concern and problems such as drugs, national security, nuclear weapons, AIDS, and trade.

Finance Secretary Explains Recovery Plan

PA1401152395 Mexico City XEW Television Network in Spanish 0430 GMT 14 Jan 95

[Interview with Guillermo Ortiz, finance and public credit secretary, via satellite from an unidentified location by Jacobo Zabludovsky in the Televisa studios in Mexico City; from the "24 Hours" newscast—live]

[Text] [Zabludovsky] Here is Guillermo Ortiz, finance and public credit secretary. Good evening.

[Ortiz] Good evening, Mr. Zabludovsky.

[Zabludovsky] It is very important that you to explain to us some aspects that are still a little confusing to the public at large, to the average citizen like myself. Yesterday the U.S. Government, the executive branch or President Bill Clinton, said it will do whatever is required to help Mexico. How does this statement and this opportunity fit into the Mexican plan to overcome the crisis?

[Ortiz] The first thing I want to say is that the Mexican Government has not yet begun negotiations regarding this new package. What we have said is that the U.S. Government could grant the Mexican Government guarantees on the issuance of Mexican Government bonds. That means the Mexican Government may be able to issue bonds with long terms, say five or 10 years, with the guarantee of the U.S. Government. The purpose of this operation would be to replace part of our short-term debt for debt with longer terms.

As you know, there has been talk recently of the well-known Tesobonos [Treasury Bonds]. They are issued in local currency denominations but are pegged to the exchange rate. That means they are paid in dollars. Tesobonos that mature in the short-term may be partially replaced by debt instruments with longer terms.

[Zabludovsky] Since you brought up the topic of Tesobonos, can you explain a little more about them? Who collects them, who has them, and how much does someone collect for them?

[Ortiz] We have issued the equivalent of $29 billion in Tesobonos. These are short-term instruments that mature weekly. Foreign investors hold a sizable number of them. In recent weeks, some of the Tesobonos that have matured have not been renewed. For that reason, with these new longer term instruments that we may be able to issue, we will be able to partially replace the Tesobonos in circulation. Our problem, Mr. Zabludovsky, is that we must refinance or replace short-term bonds for longer term bonds.

Let me give you an example. Suppose a family has a mortgage. This family is able to make its monthly payments and pay interest and credit amortization without a problem. However, if the bank asked that this credit be amortized in one year, it would be very difficult for the family to do.

In Mexico's case, we have a series of obligations maturing in the short-term, which obviously no country can pay.

[Zabludovsky] What is Mexico going to do, Mr. Ortiz?

[Ortiz] Mexico will use the new lines of credit that will be made available to refinance the obligations maturing in the short-term.

[Zabludovsky] In other words, they are going to lend us money to pay those we owe?

[Ortiz] It is very important to clarify this, because the size of the debt will not increase. We are going to restructure the debt. I repeat, we will exchange short-term debt for long-term debt.

[Zabludovsky] I don't quite understand this, Mr. Ortiz. If the United States is opening a $40-billion credit line to Mexico, somebody has to pay for it, and I would assume it would be Mexico.

[Ortiz] Well, of course Mexico will pay for that as credits are used. But I repeat, this credit will be used to replace an existing debt, not to increase the balance of our debt.

It is also important to make it clear that the $30 or $40 billion will not necessarily be used. As the market operation normalizes, short-term obligations will be refinanced normally; that is, investors will be more prepared to renew the obligations. In this measure, we can gradually restructure our debt.

[Zabludovsky] Allow me insist on one question: Will the debt increase?

[Ortiz] The debt will not increase. We will simply replace short-term obligation with long-term obligations, supported by this line of credit.

[Zabludovsky] Mr. Ortiz, to obtain this line of credit, are we in any way mortgaging or giving Mexican petroleum as a guarantee?

[Ortiz] Allow me to comment on this, Mr. Zabludovsky. In the 1980's, in 1982 and 1987 and in other operations of this kind by Mexico, we have given as a guarantee the backstop of petroleum bill collection. That means that if Mexico does not pay its obligations—which has never happened, we have always paid on time—a portion of Pemex [Mexican Petroleum] collections would be earmarked to pay unpaid capital and interests. This is an agreement that has been made on various occasions. It is commonplace in international agreements of this kind, and it is not new. However, this does not mean that we are in way offering our petroleum as a guarantee. Pemex collections and Mexican petroleum are two very different things.

[Zabludovsky] Mr. Secretary, will a new peso-dollar exchange rate be established, even if there is a daily slide of the peso, or will the forces of supply and demand be allowed to operate on the foreign exchange market?

[Ortiz] Well, the first thing we must do is stabilize financial markets. As you have seen, anxiety on the markets has diminished considerably. The dollar quotation has declined for three consecutive days. We have seen a recovery both on the stock market and in Mexican debt papers circulating on international markets.

It is possible that as the markets gain stability, we will see an additional recovery of our currency and a strengthening of our markets. I think that is the primary objective. Once the markets have been stabilized, we will decide what exchange system will be adopted. But this will be done later. The first thing is to achieve stability and see that the peso quotation, which is still undervalued today, shifts to more realistic levels.

[Zabludovsky] Then it is possible that a margin will be established again, with high and low limits within which the value of the peso against the dollar will float?

[Ortiz] That is something we will have to answer later on. The important thing, as I said, is for the exchange rate to stabilize first, then we will determine whether it is worthwhile to establish a trading range again or to allow the peso to float freely. The major world currencies, such as the U.S. and Canadian dollars and the majority of European currencies, are left to float freely. Eventually we will have to answer the question of whether to establish a trading range once the markets are stabilized. For the time being, we have seen that the exchange rate is coming back down, and the market is beginning to calm down. Naturally, we do expect the market to begin responding favorably and the U.S. dollar to reach more realistic levels as the financial package gains strength. The peso remains very undervalued.

[Zabludovsky] Mr. Ortiz. I gather from what you have said that it is very possible the peso will regain its strength or stability, but will Mexico regain the confidence of foreign and domestic investors?

[Ortiz] I believe we will regain the confidence of Mexicans and foreigners alike when we implement the economic plan, which was designed by President Ernesto Zedillo's administration and approved by production sectors. I believe this recovery will come with the daily actions we Mexicans take, along with the government and the production sectors. Mexico has a very strong infrastructure. Mexico has the structural and macroeconomic conditions to begin growing within a short time. The adjustment, as the president has said, will be a major adjustment, but it is important to state that it must be a short adjustment period. It will allow us to reappear as a stronger nation, focusing on exports and more dependent on its own internal savings and resources. I believe the package that has just been announced will make a significant contribution to that end, Mr. Zabludovsky.

[Zabludovsky] Thank you, Mr. Ortiz.

Finance Secretariat Announces 1995 Fiscal Reforms

PA1401034895 Mexico City EL FINANCIERO in Spanish 13 Jan 95 p 31

["Principal Fiscal Reforms for 1995" issued by the Finance and Public Credit Ministry; place and date not given—all subheads published in boldface]

[FBIS Translated Text]

THE WORKER'S FINANCIAL BONUS WILL BE INCREASED

—The financial bonus for workers receiving up to two times the minimum wage is being increased to bolster available income.

SUPPORT FOR INVESTMENTS IN PRODUCTION, MODERNIZATION OF TECHNOLOGY, TRAINING OF WORKERS, AND ENVIRONMENTAL PROTECTION

—The deduction allowed for expenses related to technological research and development will increase 50 percent.

—Depreciation of investments made in the conversion to natural gas consumption and in equipment to control environmental pollution will be increased.

—The maximum amount to be deducted for expenses related to training and instruction has been fixed at 1 percent.

SUPPORT FOR SMALL AND MEDIUM-SIZE COMPANIES

—The quarterly payment plan will be extended to help the country's small and medium-sized companies comply with their tax obligations.

—The immediate deduction benefit for investments by small and medium-sized businesses located in the metropolitan areas of Mexico City, Monterrey, and Guadalajara will be increased.

STIMULUS FOR INVESTMENTS

—Taxes on capital will be cut 10 percent and the grace period for nonpayment of this tax by new companies will be increased to four years.

—Companies that register losses in a specific fiscal year are now permitted to pay less taxes on capital than paid during the three previous years.

MORE LEGAL SECURITY GIVEN TO TAXPAYERS

—A maximum limit of nine months will be permitted for concluding a government tax audit of taxpayers in mid-level administrative jobs.

—Maximum and minimum limits for fines will be fixed instead of being imposed according to the taxpayer's income.

[Signed] FINANCE AND PUBLIC CREDIT MINISTRY

IDB President: Markets 'Exaggerated' Economic Crisis

PA1401170895 Mexico City NOTIMEX in Spanish 0439 GMT 14 Jan 95

[FBIS Translated Text] Mexico City, 13 Jan (NOTIMEX)—Enrique Iglesias, president of the Inter-American Development Bank (IDB), said here today that international markets have exaggerated the Mexican financial crisis.

"We believe the international markets have blown the financial crisis, which began with an exchange rate adjustment, out of proportion. They addressed the situation in an alarmist tone, having no consideration for the firm foundations of Mexico's economy," Iglesias said.

Iglesias made the statements after signing in Mexico City two loan agreements worth $893 million, approved by the IDB to support municipal basic education and development programs throughout the country.

"Every country in every market" makes exchange rate adjustments as required to enhance competitiveness, Iglesias said. The Uruguayan was explaining the devaluation of the peso, which occurred at the end of December amid a wave of speculation.

The IDB official said the financial market situation is beginning to level off in Mexico and the rest of Latin America. Latin America was also affected by Mexico's economic difficulties, which stemmed from a large deficit in the nation's current account.

Iglesias pointed out that the first sign of confidence in Mexico's solidity was the response from the international community. He was referring to the financial support offered by the United States, Canada, Japan, several European countries, and the commercial banking sector.

The president of this multinational financial organization said "we are convinced that this is a liquidity crisis that will soon be over. We reaffirm our belief in the solidity of Mexico's economy."

He added that Mexico is the same great country and that this financial juncture does not change its basic nature. The country has the resources to expedite social development and international cooperation.

Productive Sector: Exports Not To Drive Recovery

PA1101214795 Mexico City EL FINANCIERO in Spanish 9 Jan 95 p 29

[Report by Lourdes Gonzalez Perez]

[FBIS Translated Text] Representatives of the country's productive sector have said that it is wrong to think that exports will drive the country's economic recovery since only 300 companies are now exporting products.

In this respect, members of the Confederation of Industrial Associations (Concamin) and the National Association of Manufacturers (Canacintra) asserted that if an industrial development program is not implemented to ensure broader, more competitive production among quality products, it will be hard to increase exports to level required for exports to become an important source of foreign exchange.

They admitted that, despite the "long lists" of alleged exporters, which are officially announced, approximately 300 companies actually sell their products abroad; the textile industry is completely cut off from exports.

Representatives of the national textile industry said that the production chain had been totally demolished in the past two years. Thus, imports of raw material and components have increased.

Concamin representatives have asserted that a plan for industrial development is required to incorporate all the small and medium-sized firms into the export process. The implementation of such a program would initially require financial support, fiscal incentives, technology, and in-depth deregulation to increase internal production.

Additionally, members of Canacintra have suggested that the country must encompass, by sectors, the small and medium-sized firms in the preparation of final products that are to be sent to foreign markets.

Both sectors recognized that the chances that exports will increase are not promising because the country still needs to import a considerable amount of raw material and components to be able to produce merchandise for export.

They even pointed out that the Temporary Import Programs for Exports (Pitex) [Programas de Importacion Temporal para la Exportacion] should be strengthened for some time to come so that the increase in prices of foreign products, triggered by the rise in the cost of the dollar, will not directly affect production of exportable merchandise.

They admitted that the textile sector has to decide either to request that imports of raw material and components be further released or to ask for more protection from foreign products, in order to allow for true market renewal and consequently the recovery of the country's internal production sector.

Several sectors—they mentioned capital goods as an example—require the release of raw material imports to ensure production that is competitive internationally. But at the same time, other firms are requesting more protection from foreign products to stop the gradual displacement of domestic companies.

Thus, they propose that, in coordination with the federal government, every sector be studied separately to identify those that require that specific imports be released and also those where imports of foreign products have to end.

In both cases, the objective is to reach projected production levels as soon as possible to first satisfy the domestic market and decrease demands on foreign merchandise. Later, it will be necessary to take advantage of opportunities afforded by foreign markets by guaranteeing an actual increase in exports.

Business Council Head: Sector Backs Economic Plan

PA1301173095 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 13 Jan 95

[From the "Early Morning" newscast]

[FBIS Translated Text] Luis German Carcoba, president of the Business Coordinating Council [CCE], has denied the statements attributed to him by yesterday's press. He had supposedly said businessmen have cheated themselves with Carlos Salinas' economic model.

The president of the CCE has said what he really meant:

[Begin Carcoba recording] It is a good thing you are asking me about that matter. They interviewed me yesterday in Guadalajara and said we did not agree with the economic program. I think we were speaking about parity at that time. We definitely know an error was made. I was asked who was to blame for this error, and I said many of us were involved in this matter to some degree. It was a decision made by economic agents, with the support of foreign investors.

This crisis has caused so much stir, because it was not expected. It has caused what you mentioned: an evident lack of confidence to invest in the country, both from foreign and domestic investors.

I want to make it quite clear—I hope you help me convey this point—that the business sector, in philosophical terms, absolutely favors the project being implemented in the country. The basic premises are those we have been endorsing for years. We must make the necessary adjustments.

We needed to make adjustments before the current crisis to strengthen healthy and sustained growth. We must make changes now, first and foremost, to overcome this crisis and to recover the path we had undertaken in the short-term. We had considered this path in November to be positive. [end recording]

Price of Family Basket To Increase

PA1101181395 Mexico City Radio ACIR Network in Spanish 0000 GMT 11 Jan 95

[Report by Marisela Palacio; from the "Evening News Panorama" newscast]

[FBIS Translated Text] [Unidentified announcer] Our reporter, Marisela Palacio, will report on the events that took place at the fourth special meeting held by the pact, the second such meeting of the year, where it was announced the price of the family basket will be increased by 10-30 percent. Good evening, Marisela.

[Palacio] Good evening, Pepe and listeners. That is correct. At the Labor Secretariat, the Commerce and Industrial Development Secretariat [Secofi] has reported a general increase in the prices of family basket products will occur.

During a news conference held at the end of the special meeting, the second such meeting of the year, held by the Commission for Following-Up and Evaluating the Economic Pact, Eugenio Carrion, Secofi commerce and supply under secretary, explained the prices of the 81 products constituting the family basket will increase by 10-30 percent. After beating around the bush several times by talking about fodder and even grazing land, which prompted reporters to ask him in unison whether the prices of what products were going to increase, Carrion said only the price of milk, of the five products subject to official control, has been authorized to increase by 15 percent. Let us listen to what he said:

[Begin Carrion recording, in progress] ...which is the agreement signed on Thursday, 4 January [as heard] with the self-service stores, they were authorized to increase the many prices they have in their stores by 15 percent. [end recording]

[Palacio] It was reported, however, that the companies (Rinconsa) and (Diconsa), which used to belong to the Conasupo [National Company for Basic Commodities] and now belong to the Sedesol [Social Development Secretariat], will now guarantee the supply of milk, especially in the areas of abject poverty, and that milk prices will be below those set by stores.

Meanwhile, Santiago Onate Laborde, labor and social welfare secretary, said the prices of sugar and tortillas, which are also subject to official control, will not increase:

[Begin Onate recording] The products to be increased will be divided into two groups: those products subject to official prices—the deputy secretary has ordered that the official prices for controlled products be published—for example milk, sugar, and tortillas. The price of tortillas will not be increased. Also, there is no justification to increase the sugar prices, because they were already increased in November. [end recording]

[Palacia] Later, and after several reporters had asked for more than five minutes what would happen with the meat prices, it was announced the price increase for products such as meat, medicine, clothing, and shoes would depend on the agreements reached with producers and will also be based on the cost of the imported raw material required to make the products.

The Office of the Federal Attorney for Consumers promised at the 5 January meeting it would continue with its inspection and surveillance program to avoid a repricing of products and to maintain price stability.

Here, too, another surprising incident occurred when reporters asked Profeco head Fernando Lerdo de Tejada the price of several basic products, and he was able to give them prices for only a few sugar products. Lerdo asked other officials at the conference later to tell him what were the prices of the basic products.

Roberto Castellano Tovar, leader of the Revolutionary Confederation of Workers and Peasants in the Federal District, spoke for the labor sector. He said they had requested that a commission be established to work together with Profeco to receive complaints and ensure that no abuses are committed. His request was accepted. He also admitted the recovery of the purchasing power of wages is the only way the organized labor movement will get ahead.

The Mexican business sector stated after the meeting they will insist, at the next economic pact meeting, that the Mexican Bankers Association find mechanisms to extend payment terms and to set better interest rates to enable industrialists to pay their loans to credit institutions.

Antonio Sanchez Diego De Rivera, president of Coparmex [Employers Confederation of the Mexican Republic], said it was not a matter of inventing or freezing rates, because this move would not be profitable for the banking sector. What we want, he said, is for bankers to understand the debtors' situation and, in this sense, turn into true partners for the businessmen. This, he said, will allow both sectors to advance together:

[Begin Sanchez recording, in progress] ...confidence in the prices, because it will bring other consequences if not. It cannot be handled artificially. The bank receives money at a certain price and cannot set a lower price, because it would lose money. [end recording]

He also insisted that businessmen be given a longer period to pay their debts with Infonavit [Institute of the National Fund for Workers Housing] and the Retirement Savings System.

Victor Manuel Terrones, president of Canacintra [National Association of Manufacturers], said the business sector hopes to reach a concrete agreement to restructure its debts with the national banking sector this week.

[Announcer] So, concretely, the bankers met with pact members today and received requests to extend debt payment datelines, particularly on the products you mentioned.

[Palacio] No, Pepe, the bankers were not at the meeting.

[Announcer] They were not there?

[Palacio] The Mexican Bankers Association will attend the Pact's weekly Thursday meeting, and the requests will be made then. They have held informal talks this week and will continue to do so until they reach concrete agreements on 12 January.

[Announcer] According to your report, Deputy Commerce Secretary Eugenio Carrion said the prices on the following products will be controlled: tortillas, corn flour, milk, sugar, and medicine.

[Palacio] That is correct, Pepe. Those are the five products in the basic family basket that will be carefully controlled. The basic family basket has 81 products. One of them, cigarettes, is still being questioned. Cigarettes are not considered to be a basic necessity.

Milk Price To Rise; Other Prices Being Negotiated

PA1101162595 Mexico City XEW Television Network in Spanish 0430 GMT 11 Jan 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Tortilla prices will not increase but milk prices will.

During a meeting of the members of the Pact for Well-Being, Stability, and Growth [Pacbec] held on 10 January, Mr. Eugenio Carrion, under secretary of supplies at the Commerce Secretariat, announced the prices of tortillas and sugar will not be increased:

[Begin Carrion recording] Tortilla prices will not be increased. [end recording]

Carrion also informed during a news conference of an authorized 15-percent increase in milk prices. He said the prices of other products such as bread, medicines, cooking oil, beef, and eggs are being negotiated at the Commerce Secretariat, because it has been argued that some of the components of these products have experienced a price increase and have to be imported.

Concerning the increase in the prices of gasoline, electricity, and cooking gas, the federal government will not increase them by more than 10 percent, and this increase will be done gradually throughout the year according to Labor Secretary Santiago Onate:

[Begin Onate recording] There has to be a moderate increase in prices. [end recording]

During the Pacbec follow up and evaluation commission meeting held 10 January, the labor sector asked for the creation of a special group to oversee prices. At the end of the meeting held at the Labor Secretariat, representatives of the business sector reiterated their support for the adjustment and control measures in public administration announced by Mrs. Norma Samaniego, secretary of the Comptroller General's Office.

The participation of the Mexican Association of Banks is expected during the next Pacbec meeting scheduled for 12 January, where it will inform of interest rates and a possible special program for Mexican industries.

Editorial Questions Measures Taken To Improve Economy

PA1401043695 Mexico City LA JORNADA in Spanish 12 Jan 95 p 2

[Editorial: "Questions on the Economy"]

[FBIS Translated Text] Two statements pertaining to the economy were issued yesterday—one in our country and the other in the United States—which, on the one hand, provide elements to predict how the Mexican economy is likely to behave and, on the other, raise questions worth reflecting on.

President Ernesto Zedillo made the first of these statements within the context of the swearing in of the 13th Directors Council of the Federation of the Association of Mexico's Civil Engineers. U.S. President Bill Clinton made the second statement in the form of a succinct press release issued by the White House.

The Mexican president announced the negotiation of a foreign financial package that can be bolstered with additional resources from multilateral financial organizations, something that entails securing loans that, even if granted at interest rates below current rates on the international market, would constitute a debt the nation will have to pay sooner or later.

In addition, Zedillo voiced optimism regarding the possibility of achieving stability in the domestic financial market, avoiding an inflationary spiral, and returning to the rate of economic growth our country achieved during more promising times.

The president's predictions were primarily based on the remarks made by his counterpart in the United States. He referred to a telephone conversation he had with Clinton, in which the U.S. president conveyed to him "a firm commitment" to help Mexico overcome its economic problems in the near future.

This last remark contained a disturbing overtone: Mexico is facing economic difficulties which go beyond the near future Clinton talked about. The question that arises is obvious: What mid- and long-term measures are the officials in charge of the economy anticipating to meet the demands of our economy? According to Clinton, the U.S. Federal Reserve will help our country overcome immediate financial pressures. Once these are overcome, however, what will the government's strategy be to bolster the development the country needs? Considering the economic strength of Mexico's leading trade partner, Clinton's remarks were not exactly reassuring when he said, "it is in the economic and strategic interest of the United States for Mexico to succeed." One does not have to be very shrewd or have a great knowledge of history to know that U.S. strategic interests contrast, almost without exception, with those of nations that maintain economic ties to the world's top superpower.

Indeed, because our country is in dire need of resources, the existence of international financial institutions is beneficial, but it is wise not to forget that, as a general rule, these institutions often make you pay dearly for their assistance.

In addition, to use President Zedillo's own words, the return of the Bank of Mexico to the capital market would reflect the stability of the exchange rate, but, with an overvalued currency and a peso-dollar rate that is vastly favorable to the U.S. currency, this stability would not create a very favorable situation for our economy.

One hopes that the authorities at the Finance and Public Credit Secretariat have taken the concepts cited above into consideration and that the policies that they adopt in the future will be beneficial to an economy that is currently showing a deterioration which primarily affects low-income workers and seriously hurts the country's small- and medium-sized companies.

Commentary: Domestic Purchasing Power Key to Recovery

PA1401154495 Mexico City XEW Television Network in Spanish 0430 GMT 14 Jan 95

[Perez Stuart commentary; from the "24 Hours" Newscast]

[FBIS Translated Text] Following the flight of foreign currency from Mexico over the last two months due to uncertainty and a lack of confidence, the country experienced a shortage of foreign currency reserves and was forced to devalue the peso. That same reduction in reserves made it impossible for the country to repay in dollars the resources invested by foreign citizens, both in Tesobonos [Treasury Bonds] and CETES [Treasury Certificates].

In light of this cash flow or dollar liquidity problem, central banks and international organizations have offered credits to Mexico. In addition, the U.S. Government has offered its backing. This U.S. backing has eased the pressure on the peso and the Mexican stock market. It means that Mexico's creditors, so to speak, finally have the guarantee that Washington will cover the amount they will demand. Given that the United States is the most powerful country on earth, international markets have relaxed because there is no doubt that the amount invested in dollars will be recovered. The cash flow problem is thus absolutely resolved, taking care of the insolvency.

In this regard, Mexico's challenge is to strengthen and improve its reserves using its own resources, not loans. This can only be achieved by increasing exports and foreign investment, repatriating capital, and increasing tourism revenues. Mexico is also facing an internal problem. In light of the increase in prices and a lower expected economic growth, it is undoubtedly necessary to increase the real income of families and employment so the internal market can recover, so businesses sell more, so industries produce more, and so the number of jobs increases.

Therefore, what remains to be resolved and what is now clear is that the internal problem must be solved; namely, the reduction in the purchasing power of the population and the ensuing drop in sales.

Zedillo Government Holds First Direct Meeting With EZLN

PA1501174895 Mexico City XEW Television Network in Spanish 1700 GMT 15 Jan 95

["Press bulletin" issued by the Government Secretariat on 15 January; place not given; from the "This Sunday" newscast]

[FBIS Translated Text] The government of the republic, presided over by Dr. Ernesto Zedillo Ponce de Leon, has publicly expressed its desire to find a just and dignified solution, through dialogue and negotiation, to the Chiapas conflict, which will make peace possible in that state.

The president has also expressed his determination that the Mexican Army will maintain its unilateral cease-fire as evidence of his administration's call for peace.

Today, 15 January 1995, the process to restore talks between the EZLN [Zapatist National Liberation Army] and representatives of the federal government is experiencing an important event: The first direct meeting between representatives of both parties.

The meeting, made possible thanks to the effective mediation of Conai [National Mediation Commission], represents a fundamental step in defining mechanisms that will result in the attainment of peace. The team representing the federal executive at the meeting is made up of three people and is presided over by Government Secretary Ernesto Moctezuma.

The government representatives are attending this first meeting in great spirits and with a constructive attitude.

EZLN Communique on Meeting

PA1501180895 Mexico City XEW Television Network in Spanish 1700 GMT 15 Jan 95

["Text" of communique issued by the Clandestine Indian Revolutionary Committee-General Command of the EZLN in Chiapas on 14 January; from the "This Sunday" newscast]

[FBIS Translated Text] To the people of Mexico:

The Clandestine Indian Revolutionary Committee-General Command [CCRI-CG] of the Zapatist National Liberation Army [EZLN] hereby states:

1. The EZLN is committed to making a serious effort to find a fair and dignified political solution to our just demands, on the one hand, and, on the other, not to make any deals with the supreme government behind the backs of the Mexican people.

2. The CCRI-CG of the EZLN hereby announces to the people of Mexico that it will hold a first meeting with representatives of the Mexican Federal Government on 15 January somewhere in the Lacandona Jungle of the southern Mexican State of Chiapas.

3. Members of the National Mediation Commission [Conai], three representatives of the supreme government, and three representatives of the CCRI-CG of the EZLN will be present at said meeting.

4. The sole issue of this first meeting will be to discuss and approve measures to clear the existing belligerent atmosphere, thus reducing the danger of armed clashes between the two armies and eliminating the situation of an imminent war.

5. The EZLN General Command hereby publicly vows to respect the lives, freedom, and property of the federal government delegates at this first meeting.

6. The EZLN will provide the local and foreign press with timely and true information regarding the events at the meeting.

[Signed] Subcommander Marcos of the CCRI-CG of the EZLN

Government Secretary: Meeting 'Positive'

PA1601011795 Mexico City NOTIMEX in Spanish 0022 GMT 16 Jan 95

[FBIS Translated Text] Mexico City, 15 Jan (NOTIMEX)—In a press bulletin, the Government Secretariat of Mexico this afternoon reported that the meeting between the government secretary and members of the armed group in Chiapas today "was held in a climate of respect and directness and can be described as positive." The secretariat said that those attending the meeting "agreed to report later formally and with greater detail on the meeting so immediate consultations can be made."

Participating in the meeting, the first of the present government, which assumed office on 1 December, were three government delegates, headed by Government Secretary Ernesto Moctezuma Barragan, and three Zapatist National Liberation Army [EZLN] delegates, headed by its military chief, Subcommander Marcos. Delegates of the National Mediation Commission, including Bishop Samuel Ruiz, attended as witnesses.

Secretary Moctezuma Barragan returned to Tuxtla Gutierrez, capital of the state of Chiapas, at about 1700 (2300 GMT), the bulletin added.

The second round of peace talks between the government and EZLN started on Sunday after a previous round was held from 21 February to late March last year and failed to produce satisfactory solutions for the armed group.

Conai Issues Communique

PA1701045995 Mexico City LA JORNADA in Spanish 16 Jan 95 p 3

["Text" of communique issued by the National Mediation Commission, Conai, following the first meeting between government representatives and the Zapatist National Liberation Army, EZLN, on 15 January; place not given]

[FBIS Translated Text] 1. The first meeting between EZLN representatives and the Government Secretariat was held before Conai representatives at a Lacandona Jungle site, near Guadalupe Tepeyac and Aguascalientes, at 1200 today.

2. The EZLN delegation was headed by Subcommander Marcos. The Government Secretariat's delegation was headed by the secretary himself, Esteban Moctezuma. Samuel Ruiz Garcia headed the Conai delegation. Each delegation was comprised of three persons.

3. The climate prevailing from the beginning was one of respect. The rapport between both parties was one of sincerity and respect. We believe that if communication continues, combined with action, progress will be seen and will be reflected in a climate of detente that will ease the way to subsequent phases of understanding, negotiation, and dialogue.

4. Shortly, the parties will announce, through their respective communiques, the results of this first meeting, once the facts have been clarified.

5. The Conai will continue its permanent session, maintaining channels of communications with both sides, as needed, together with all the social and political players that may be called upon to prevent a war, as well as to take firm steps for the establishment of a peace with justice and dignity.

For Conai: Samuel Ruiz G., Juana de Garcia Robles, Juan Banuelos, Alberto Szekely, Concepcion Calvillo de Navas, Pablo Gonzalez Casanova, Oscar Oliva, Raymundo Sanchez Barraza.

Further on Initial Talks

PA1601142495 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 16 Jan 95

[Report by Luis Padua from San Cristobal de las Casas, Chiapas; from the "Early Morning" Newscast; speakers identified by caption]

[FBIS Translated Text] The peace dialogue has begun in Chiapas. Government Secretary Esteban Moctezuma, Bishop Samuel Ruiz of Conai [National Mediation Commission], and Subcommander Marcos of the EZLN [Zapatist National Liberation Army] met somewhere in the jungle near Guadalupe Tepeyac to begin constructing the long awaited peace in that state:

[Begin Ruiz recording] The first meeting between representatives of the EZLN and the Government Secretariat was held in the presence of Conai representatives somewhere in the Lacandona Jungle, near Guadalupe Tepeyac, Aguascalientes. [end recording]

So far the sole issue discussed at the meeting was what measures will be adopted to ease tensions in the state:

[Begin Conai member Oscar Oliva recording] The sole topic on the agenda of this first meeting is discussion and establishment of measures to alleviate the bellicose atmosphere and to avert the danger of armed clashes between the two armies. The purpose is to change the atmosphere of imminent war. [end recording]

The meeting, which was attended by nine persons—three each from the Government Secretariat, Conai, and EZLN—took place in an respectful and frank atmosphere, Bishop Samuel Ruiz said:

[Begin Ruiz recording] The communication was truly extraordinary. They spoke frankly and sincerely and said the things they wanted to say without reservation. They said what they had in mind clearly and with great respect and tremendous understanding. Thus I believe the talks are advancing seriously and are very promising. [end recording]

Conai will remain in permanent session, as it has been since 25 December. Throughout the week it will continue to pass on to the media any progress made in the dialogue.

Bishop Ruiz, Government View Talks

PA1601135295 Mexico City Radio ACIR Network in Spanish 1303 GMT 16 Jan 95

[From the "Panorama Newscast"]

[FBIS Translated Text] Good news from Chiapas this weekend. The direct dialogue between the Zapatist National Liberation Army [EZLN] and the government of the republic was finally renewed. The Government Secretary and Subcommander Marcos met, with the mediation of Bishop Samuel Ruiz, somewhere in the Lacandona Jungle. Although the issues discussed at the meeting were not disclosed, Bishop Ruiz, who participated as the Conai [National Mediation Commission] president, said the talks had been intense and productive.

[Begin Ruiz recording] We saw that there was an advancement as if those people had known each others for many years. The communication was truly extraordinary. They spoke frankly and sincerely and said the things they wanted to say without reservation. They said what they had in mind clearly and with great respect and tremendous understanding. Thus I believe the talks are advancing seriously and are very promising. [end recording]

The Government Secretariat described the meeting as positive and said an important step had been taken to define mechanisms. The government and the EZLN are expected to make separate announcements this Monday on the results of this first round of talks. Of course, negotiations are also expected to continue because the truce, unilaterally extended by the Zapatists, ends in two days.

The political parties and the Catholic Church have reacted with enthusiasm and optimism to the renewal of the peace talks. The PRI [Institutional Revolutionary Party], PAN [National Action Party], and PRD [Party of the Democratic Revolution] said this is the first step in finding a definitive solution to the Chiapas conflict. The Catholic Church has asked that the talks end with an understanding between the parties involved.

Government Secretariat Issues Bulletin

PA1701053995 Mexico City XEW Television Network in Spanish 0430 GMT 17 Jan 95

["Bulletin" issued by the Government Secretariat on 16 January; place not given; read by announcer; from the "24 Hours" newscast]

[FBIS Translated Text] To achieve a detente in the state of Chiapas and multiply efforts for a fair, worthy, and lasting peace in keeping with the atmosphere of respect and in the search for political solutions to the conflict in Chiapas, as was characterized by the first meeting between the representatives of the federal government and the representatives of the EZLN [Zapatist National Liberation Army], the Government Secretariat announces the following decisions made by the president of the republic:

1. Military units will be withdrawn from the municipal capitals in Larrainzar and Simojovel.

2. Military patrols requested by the state government to protect highways will be limited to federal highways and other essential roads.

3. The decision to maintain the unilateral cease-fire as a clear evidence of the government's peace commitment is ratified.

4. According to the terms defined by the Foreign Relations Secretariat, the International Red Cross Committee may continue its operations within the framework of its humanitarian duties in the Guadalupe Tepeyac, Las Margaritas, and San Miguel Municipalities, and Ocosingo Municipality, which were recognized as buffer zones.

5. The executive's authorization to allow Conai [National Mediation Commission] to continue carrying out its efficient duties as mediator between the parties involved is ratified. The willingness to listen to the evaluations made by the Conai as mediator is reiterated. The government's peace commitment is consistent with its expressions and actions. A direct contact, which turned out to be fruitful and beneficial, has been restored.

The decisions announced by the president in this bulletin are evidence that the government's participation in the process to attain peace is based on an essential conviction in favor of dialogue and negotiation to achieve worthy and acceptable alternatives for the parties involved. We are going to continue promoting this solution according to the terms of our conversation with the certainty that the EZLN will reciprocate this effort with actions to build a just and lasting peace.

These decisions should encourage other social and political organizations in Chiapas to cooperate with the process for a worthy and just peace, by being respectful of the state of law.

Former PRD Candidate Avendano Views EZLN Talks

PA1601145095 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 16 Jan 95

[From the "Early Morning" newscast; passages within quotation marks are recorded]

[FBIS Translated Text] Various sectors of the population have termed the talks between the government and the EZLN [Zapatist National Liberation Army] as positive. Amado Avendano, former PRD [Party of the Democratic Revolution] gubernatorial candidate in Chiapas, came to Mexico City yesterday. He visited the Chapultepec Lake House, which, by the way, was declared Zapatist territory.

Various social groups have declared the Chapultepec Lake House to be the first Zapatist-controlled territory in the federal district. Amado Avendano, former PRD governor candidate in the recent Chiapas elections, was present at the opening of what seems to be yet another entertainment center in the Chapultepec woods.

[Avendano] "This is not just a political event; it is a symbol of what is happening in Chiapas. They want to make us stronger by declaring this territory rebel-controlled territory. This benefits us because, politically speaking, it gives us excellent publicity, and we have come here to take advantage of that."

Regarding the situation in Chiapas and the federal government's willingness to seek a dignified and just peace, Amado Avendano stated:

[Avendano] "I hope a definitive peace can be achieved in these talks. Any effort that can be made, any possibility that opens up is positive, and we are very happy to be able to participate in this struggle to attain peace in Chiapas."

In addition, the former Chiapas gubernatorial candidate said that at the request of Chiapas Bishop Samuel Ruiz, he has decided to suspend all his civic resistance actions during the peace talks. He added, however, that if the peace negotiations do not include the resignation of Chiapas Governor Eduardo Robledo Rincon, PRD supporters will continue to take over municipalities.

[Avendano] "We honestly believe that the discussion on the conditions for peace must include the resignation of Eduardo Robledo Rincon. Otherwise we will continue to proceed with the takeover of municipal presidencies that support us. There will come a time when Eduardo Robledo Rincon will only govern in Tuxtla Gutierrez."

Before leaving rebel-controlled territory in the Federal District, Amado Avendano painted a message on the wall of the Chapultepec Lake House.

Chiapas Governor Reiterates Offer To Resign

PA1701024395 Mexico City Radio ACIR Network in Spanish 0000 GMT 17 Jan 95

[From the "Panorama" newscast]

[FBIS Translated Text] It has been reported that Chiapas State Governor Eduardo Robledo Rincon, during his weekly meetings with the Chiapas media, has reiterated the political offer to resign as governor if the rebels lay down their weapons. The offer was made when he was sworn in on 8 December.

Robledo Rincon noted that when he was sworn in he made it clear that he would resign from his post if the EZLN [Zapatist National Liberation Army] turned in its weapons. I would be willing to resign to reflect the will of the people of Chiapas, who opted for peace, Eduardo Robledo Rincon said. Robledo said yesterday's meeting between the government secretary and Subcommander Marcos shows that reason has prevailed.

Meanwhile, his political adversary Amado Avendano Figueroa, who has been declared rebel governor of the state, said the people of Chiapas, especially the peasant and Indian groups, are anxiously waiting for the results of the negotiations and hope the groundwork can be laid for a fruitful agenda of negotiations.

Concerning his resignation as governor of Chiapas, Robledo Rincon said his government does not mean war. He said that during his 40 days as governor, he has demonstrated to Mexico and to the world that this pluralist government does not want war as has been said. I have demonstrated that we can move forward in our state through political and legal means. We have demonstrated that in Chiapas the wisdom of the Mayan people has shown us the way of harmony, and I do not think that by intensifying our differences we are going to solve our problems, Robledo Rincon said.

Secretary: Preserving Order in Chiapas Indispensable

PA1201173595 Mexico City NOTIMEX in Spanish 0426 GMT 12 Jan 95

[FBIS Translated Text] Mexico City, 11 Jan (NOTIMEX)—Government Secretary Esteban Moctezuma Barragan said today it is indispensable to preserve order and a state of law in the southern state of Chiapas, after several municipal buildings were occupied by members of the opposition.

Commenting on incidents stemming from the occupation of several municipal buildings in that state, Moctezuma said promoting clashes among the various local political groups and exposing the population are against the law.

Political actions and social mobilizations must be carried out within the law, without encouraging provocations or violence, "especially now that great efforts are being made to establish just and durable peace in the state," Moctezuma said.

Moctazuma referred to yesterday's incidents in Chicomuselo at a meeting with Amado Avendano, former Chiapas gubernatorial candidate for the opposition Party of the Democratic Revolution (PRD).

He said a thorough investigation will be conducted to determine responsibilities and to punish the individuals responsible for the clash between the police and PRD followers, in which six people were killed.

Moctezuma invited Avendano to hold talks in order to review the situation in several Chiapas municipalities due to conflicts with local authorities.

Avendano rejected any responsibility for the confrontation in Chicomuselo Municipality. "I have a clear conscience," he said, adding "perhaps I am indirectly responsible for accepting the candidacy of an opposition party."

Meanwhile, Chiapas Attorney General Jorge Enrique Hernandez has said at the border municipality of Comalapa that the situation in that locality, as well as in Chicomuselo, is under control and that authorities have resumed their activities.

Interviewed before hearing the preliminary depositions of 12 individuals arrested for their participation in the occupation of the Comalapa City Hall, Hernandez rejected violence as an instrument to reach power.

Those inciting violence are trying to make others fall in the trap of provocation "with the idea that the more deaths, the greater their possibilities of reaching power," Hernandez said.

In his statement, Hernandez reiterated charges he made yesterday against Avendano, whom he described as "radical" and responsible for the occupation of several municipal buildings in Chiapas since 1 January.

Before inciting the Emiliano Zapata Peasant Organization-National Coordinating Board for the Ayala Plan (OCEZ-CNPA), which is responsible for the occupation of the municipal buildings in Comalapa and Chicomuselo, to violence, Avendano should have sought the possibility of a dialogue, he added.

Presumed PRD and OCEZ-CNPA militants tried to occupy the municipalities of Chicomuselo and Comalapa on 10 January, demanding the removal of authorities and the recognition of "the rebellious transition government," headed by Avendano.

Clashes in the municipality of Chicomuselo, approximately 1,350 km southeast of Mexico City, resulted in six deaths.

Hernandez said the majority of the people in both municipalities want peace, calmness, and work, and, therefore, the interests of 300 or 400 people cannot prevail over those of 4,000 or 5,000.

During the first 10 days of January, groups opposed to local authorities occupied the city halls in Hauahuetan, Cacahoatan, Tuzantan, Amatenango del Valle, Nicolas Ruiz, Ixtapa, and Chiapa de Corzo.

Chiapas Congress President Francisco Sau Lara has said this legislative body has proposed the holding of a plebiscite in Amatenango del Valle next Friday to determine the situation of local authorities.

Sau Lara has said the PRD has accepted the proposal with the condition that the state congress should request the withdrawal of police forces and thus reduce "the climate of tension prevailing in that municipality."

Belize

Prime Minister Announces 'Surprise' Reshuffle

FL1501204695 Bridgetown CANA in English 2143 GMT 14 Jan 95

[FBIS Transcribed Text] Belize City, Jan. 14, CANA—Belize Prime Minister Manuel Esquivel, elected under two years ago, has shuffled his cabinet. Five ministers were given new portfolios in a surprise move announced late Friday and taking effect Monday.

Esquivel takes on the portfolio of Economic Development, formerly held by Deputy Prime Minister Dean Barrow. Esquivel retains the Finance portfolio.

Barrow remains as Deputy Prime Minister, Attorney General and Minister of Foreign Affairs but takes charge of a new Ministry of National Security with responsibility for defence and the police.

Elito Urbina remains Minister of Home Affairs, but he lost the responsibility for the police. He has been put in charge of the Ministry of Labour, with responsibility for local government, as well as the postal and fire services.

Hubert Elrington, who lost the Ministry of Local Government, was named Minister of Housing, Urban Development and Cooperatives.

Elodio Aragon lost the Ministry of Labour, but remains the Minister of Education and the Public Service.

Jospeh Cayetano's Ministry of Energy and Communications has been renamed and expanded. It is now the MInistry of Science, Technology and Transportation.

All the other senior ministers and ministers of state retained their portfolios, including Melvin Hulse, Minister of Works; Ruben Campos, Minister of Health and Sports; Russel Garcia, Minister of Agriculture and Fisheries; Edwardo Juan, Minister of Natural Resources; Salvador Fernandez, Ministry of Trade and Industry; Henry Young, Ministry of Tourism and the Environment; and Phillip Goldson, Minister of Human Resources, Women Affairs and Youth Development.

The ministers of state remain Mrs. Faith Babb, in the Ministry of Human Resources, Women's Affairs and Youth Development; Michael Finnegan, Ministry of Housing, Urban Development and Cooperatives; and Dennis Usher, Ministry of Works.

Prime Minister Esquivel also announced a re-shuffle of permanent secretaries.

Prime Minister Esquivel will go on national radio next week to explain why he reshuffled his cabinet.

Costa Rica

Battle With U.S. Foreseen Over Banana Accord

PA1401185995 Panama City ACAN in Spanish 1608 GMT 14 Jan 95

[By Juan Ramon Rojas]

[FBIS Translated Text] San Jose, 14 Jan (ACAN-EFE)—The Costa Rican Government is preparing for a new legal battle with the United States, this time over a banana trade agreement signed with the European Union (EU). Two years ago the country nearly became the subject of economic sanctions from Washington.

This week, Washington's Office of the U.S. Trade Representative began an investigation to determine if the framework accord signed by Costa Rica, Colombia, Venezuela, and Nicaragua with the EU in March represents unfair competition to U.S. firms, as two of them have reported.

Of the four countries which signed, only the first two implemented the accord on 1 January as set forth in the agreement with the EU, which offers greater commercial advantages than Regulation 404. That regulation had governed banana trade between Europe and Latin America since July 1993.

Jose Rossi, Costa Rican foreign trade minister, said today that his country will continue to implement the accord until there is a better alternative or the EU repeals Regulation 404. He announced that he had contacted U.S. law firms for defense in case it is necessary.

Rossi also warned that the United States "does not have the authority" to condemn Costa Rica, because last year when Latin American producers won two panels in GATT, Washington "pulled the rug out from under us" (did not heed the call) when it was asked to help us in the fight against the EU.

Should the Office of the U.S. Trade Representative confirm that the accord poses unfair competition against Chiquita Brands and the Hawaii Banana Association, the companies which filed the complaint in September, it would apply sanctions against Costa Rica, Colombia, and the EU.

In a letter sent to President Bill Clinton, Costa Rican President Jose Maria Figueres and Colombian President Ernesto Samper said that possible commercial sanctions by Washington "would endanger the political and economic stability" of both countries.

They explained that "in our countries, bananas are grown in regions where a reduction in economic activity or employment could create a national security problem." They also asked that the investigation be carried out with "fairness, justice, and transparency."

This report on a product vital to these two countries—especially for Costa Rica, as it is the country's leading export—follows another ongoing action by Washington against the Central American nation that could also result in sanctions.

Costa Rican Vice President Rodrigo Oreamuno said the United States began pressuring Costa Rica to find a quick solution to the problem with the U.S. Millicom cellular telephone company, whose operating permit expires in May following a Constitutionality Court ruling.

If no solution is found to the banana issue, the country could face import quotas and high duties on its products. As for the telephone company, sanctions could include blocking loans from international financial organizations such as the World Bank.

Millicom was authorized to operate in Costa Rica in 1987, but the Constitutionality Court ruled in 1993 that the country's laws make telecommunications a government monopoly. A date was then set for Millicom operations to cease. That period ends in May.

Costa Rica was also a party to a diplomatic dispute two years ago when Washington threatened to block loans because the country had not resolved a land expropriation case regarding a 15-year-old ranch on 16,000 hectares in the north, which is now on National Park lands.

That case came at the same time as a demand presented by U.S. workers' unions for Costa Rica to be excluded from the General Preference System for not having approved several international labor agreements.

The current Social Democratic government in Costa Rica, which took office in May, recognized that there was a certain distancing in relations between Washington and Costa Rica over the past administration but promised to make them as cordial as they were in the past.

El Salvador

President Swears in Finance, Agriculture Ministers

PA1601175995 San Salvador Canal Doce Television in Spanish 0100 GMT 14 Jan 95

[Report by Beatriz Belloso from the "Up-to-Date" newscast]

[FBIS Translated Text] The president today swore in the ministers of finance and agriculture who will replace Ricardo Montenegro and Carlos Mejia Alferez, respectively. The former ministers resigned from their posts to defend themselves as common citizens against influence peddling charges.

Although it was not previously announced, the president also swore in Engineer Roberto Soto as the new deputy finance minister, replacing Pablo Cordoba. It is not known whether Cordoba resigned or was dismissed from office.

As had been announced, the president swore in Oscar Manuel Gutierrez as new agriculture minister and Deputy Finance Minister Manuel Enrique Hinds as new finance minister. Surprisingly, Engineer Roberto Soto was also sworn in as new deputy finance minister.

[Begin Calderon Sol recording, in progress] ...may the fatherland commend you; otherwise, may it hold you responsible for your actions. You have now been duly sworn in. [end recording]

Following the ceremony, the new ministers briefly explained the priorities of their administration.

[Begin Hinds recording] We will work to collect taxes more efficiently. This also involves the daily task of maintaining macroeconomic stability in the country. We are also putting the finishing touches on the economic development program sponsored by the Salvadoran Government. [end recording]

Meanwhile, the agriculture minister pledged before agricultural associations to continue promoting the creation of a forum to address the concerns of various agricultural groups.

[Begin Gutierrez recording] We will continue the work of former Minister Carlos Mejia Alferez to promote the agricultural forum. We intend to give institutional character to the Agricultural Sector Consultative Committee. [end recording]

The press did not have an opportunity to ask the officials what methods they will promote to overcome the problems facing both ministries.

Both ministers will officially begin working on 16 January with a commitment to improve the country's economic development and continue the plans promoted by the former ministers.

Nicaragua

Meeting Sought With Costa Rica To Solve Migration Problem

PA1701011295 Managua Sistema Nacional de Television Network in Spanish 0200 13 Jan 95

[From the "National Newscast"]

[FBIS Translated Text] The Nicaraguan Government is seeking a meeting with Costa Rica at the highest level to find the right solution for the migration problem. The meeting could be held early next week.

[Begin Foreign Minister Ernesto Leal recording] We hope that at this meeting, we will again implement the agreement signed by the two nations so that these problems will not occur. We will also bring up the issue that we must be notified about these measures between friendly and neighboring nations, countries with excellent relations, ahead of time and that these measures must not be implemented unilaterally. [end recording]

Using its right to reciprocity, a few days ago, Nicaragua implemented the same requirements that Costa Rica instituted: the presentation of $200 at the border and the stamping of a seal to prevent travelers from seeking employment.

[Begin Costa Rican Ambassador Edgard Ugalde recording] The impression is that these measures are still in effect. This is why there is talk about the advisability of holding a meeting between high-level authorities from the two countries. [end recording]

At this meeting, the Nicaraguan Government will demand that agreements to faciliate transit be complied with and that the labor rights of nationals, in the event of deportation, be respected.

[Begin recording] [Unidentified reporter] There are complaints that Nicaraguans who had been residing in Costa Rica for years are being deported.

[Ugalde] Well, that was published here. It is possible that there have been excesses. All of that is possible. But that does not mean the Costa Rican Government agrees with that. Perhaps there are officials who commit abuses, but that does not mean higher officials think and act the same way. [end recording]

[Begin Foreign Minister Leal recording] There is something that is very clear: our unemployment levels are high in Nicaragua, and in Costa Rica there is a demand for labor. The best thing would be to coordinate our efforts so that this demand for labor in Costa Rica can be met with Nicaraguan labor. Nicaraguan workers would be hired under good conditions, with all their labor rights and benefits. Everything would be in line with international law and coordinated with the two countries' labor ministries, foreign ministries, and immigration directorates. [end recording]

Nicaragua believes that Costa Rica's unilateral measures do not help the integrationist process. Last year, Costa Rican authorities returned 15,000 Nicaraguans, 10,000 of them from the Penas Blancas border post alone.

Panama

Legislator Remarks on Cuban Rafters' Return

PA1301134795 Panama City TVN Television Network in Spanish 1210 GMT 13 Jan 95

[Interview with Oyden Ortega, a legislator of Panama's Democratic Revolutionary Party, by Ricardo Samaniego in Panama City; date not given; from the "TV Breakfast" newscast—recorded]

[FBIS Translated Text] [Begin Ortega recording] The two commissions, the one on human rights and the one on foreign relations, visited the camps weeks ago. The interesting point about this visit is that top Department of Defense officials told us they had definitely told the Cuban rafters they would be relocated to the Guantanamo base once their stay expired in Panama.

I believe their problem became complicated ever since Panama voiced its position not to extend the rafters' stay. Panama has recommended, however, our commissions have recommended that most of them be relocated in U.S. territory and in third countries. I believe Panama should maintain this position.

[Samaniego] It seems the return of these Cubans to Guantanamo is imminent. Why subject them to such sacrifices? What was the purpose of bringing them to Panama?

[Ortega] I believe, in this case, that what is important that they not return to territory under Cuban jurisdiction, under the Republic of Cuba, because both the United States and Panama could be criticized for returning them to the country they had left, and they could not be repatriated to the same country if they could be described as refugees, because certain international agreements would be violated.

The United States claims the Cubans will be returning to one of their military bases. I insist, however, that the United States has a responsibility to relocate a large number of them in U.S. territory.

Rafters Oppose Return

PA1401012595 Panama City Circuito RPC Television in Spanish 2300 GMT 13 Jan 95

[From the "RPC Television News" newscast]

[FBIS Translated Excerpt] Cuban rafters have expressed their opposition to the U.S. Government's decision to return them to the U.S. Naval Base at Guantanamo, nevertheless, they added that they will peacefully abide by the U.S. decision and will not promote disturbances.

According to the Cubans, their most fundamental human rights have been violated. They say they are desperate. There have been 20 suicide attempts in the camps where strict security measures are constantly in effect. These measures include the presence of soldiers in combat gear stationed along the perimeter of the camps.

The rafters have vowed not to engage in any violent acts. They are asking the Panamanian Government to grant them an extension to remain in Panama until the United States decides on their migration status.

[Beging first unidentified female rafter recording] Let Panama grant us an extension to prevent us from being sent back to Guantanamo. That would be terrible. That would be a step backward.

[Second unidentified female rafter] Maybe it can grant us two or perhaps a maximum of three more months. In three months the United States will be able to resolve our problem. The United States can do whatever it decides to do. In less than one month, the United States took care of minors and their relatives. In two or three months it can resolve our problem.

[First unidentified male rafter] Tension among the Cubans is running high. Many problems could arise because no one wants to go there and even less so when we are being forced this way.

[Second unidentified male rafter] I do not know what we will do, but we are not going back to Cuba. At least I am not going to Cuba. They will have to kill me to take me back to Cuba. I do not know how they are going to take me.

[Third unidentified female rafter] We are going to be placed under a great deal of stress if we return to Guantanamo. It would be like returning to Cuba. We want to move forward, not backeard. We want the United States or some other country to welcome us. We want liberty. [end recording]

U.S. Southern Command officials have said they do not expect any violence to erupt during the operations to return the Cubans to Guantanamo, and they added that they are prepared to use sufficient force to prevent new incidents. [passage omitted]

Foreign Ministry: Rafters' Departure 'Irreversible'

PA1601191195 Panama City Telemetro Television Network in Spanish 1750 GMT 16 Jan 95

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] According to the Panamanian Foreign Ministry, the departure of the Cuban rafters in our country seems irreversible. Foreign Minister Gabriel Lewis Galindo said a representative from Washington had visited our country and met with him and with the rafters. Lewis Galindo added that the visitor had informed the Cubans they would be sent to Guantanamo and that their transfer to the United States would be studied once they were there.

[Begin Lewis Galindo recording] We explained our situation to him. We explained that from the beginning, we have believed a six-month stay in Panama long enough. They understood. They simply have slow procedures for processing the Cubans' entry into the United States. [end recording]

The Cubans will be relocated in the coming weeks. This measure is expected to trigger several outbreaks, however, 350 U.S. soldiers charged with maintaining order in the camps have already arrived in the country. According to the foreign minister, the soldiers' visit is only temporary and is intended to prevent riots.

More on Galindo Remarks

PA1701003295 Panama City Circuito RPC Television in Spanish 2300 GMT 16 Jan 95

[From the "RPC Television News" newscast]

[FBIS Translated Text] The deadline set by the U.S. and Panamanian Governments for the Cuban rafters' stay on Panamanian soil expires on 6 March. Foreign Minister Gabriel Lewis Galindo has said that the U.S. Government is preparing to evacuate the rafters from the camps.

[Begin Lewis Galindo recording] The United States will comply with the agreement. I would have liked the rafters to be taken elsewhere, but it is not up to us to decide. I think that, according to the circumstances, the U.S. Government will do everything possible to carry out the operation with the minimum possible fuss. U.S. authorities have been talking with the rafters, who are being sent to the United States in groups of 70 or 80. There is a certain movement to the United States. I suppose a similar movement will take place after they arrive in Guantanamo. [end recording]

In addition, Oswaldo Velasquez, president of the Panamanian Human Rights Commitee, has said that the rafters' stay in Panama violates the rafters' fundamental rights.

[Begin Velasquez recording] We are concerned in particular with the absence of freedom, which is not only a human right but a natural right. Man was born free and to live free. Trying to be free is not punishable in any free country. Since these rafters' arrival, the Committee has warned U.S. authorities about the danger of a mass suicide, something that has happened in the past. When human groups have been cornered with no way out, they have preferred to die. [end recording]

President Terms Assassination Plot 'Act of Madness'

PA1501001195 Panama City LA PRENSA in Spanish 14 Jan 95 p 1a

[Report by Ibeth Vega]

[FBIS Translated Text] President Ernesto Perez Balladares yesterday described the plans to assassinate him as "an act of madness" and warned that those who wish to attack the country's democracy and stability "will not succeed."

"When the government and the governed have a mission of development and a future and one does not see in the government the means for becoming wealthy, I know that that will foster the means and motives that we have seen these past days," the president said.

The president made those remarks during the inauguration of the 22d Flowers Festival in Boquete, Chiriqui Province. The conspirators were planning to murder the president at night while he attended the festival's inauguration.

Perez Balladares, protected by a strong National Police contingent and his personal security force, also warned those who regarded his victory and the triumph of the PRD [Democratic Revolutionary Party] not as a way to fulfill the aspirations of society but as a way to enrich themselves that "they will not succeed either."

He warned against believing that an act of intimidation of this kind will make him halt "the patrolling I have set out to conduct and that my government will carry out in the next five years."

I want everybody to know clearly that the best protection I and all of us can have is the love and affection that we always receive from the communities we visit and that they will be watchful so this kind of madness never materializes.

The people in attendance were carrying PRD banners and chanting: "We stick our neck out for Toro [Bull—Perez Balladares' nickname]!"

The president promised that, "although always respectful of constitutional guarantees, any Panamanian who attacks democracy will be brought to justice to pay for his crime." Perez Balladares denied PRD members are involved in the destablization plot but gave assurances that the inquiries will continue to the end."

In addition, National Police Director Oswaldo Fernandez said that 12 policemen were placed under administrative arrest, so "they will not hamper the investigations." The entourage accompanying the president went to the town of Gomez to attend the inaguration of four electrification projects worth 80,000 balboas.

Assembly Issues Resolution on Assassination Plot

PA1501010995 Panama City EL SIGLO in Spanish 14 Jan 95 p 10

[Report by Yuriela Sagel]

[FBIS Translated Text] The Board of Directors of the National Legislative Assembly has issued a resolution strongly rejecting the plot to assassinate President Ernesto Perez Balladares, Vice Presidents Tomas Gabriel Duque and Felipe Virzi, and Government Minister Raul Montenegro.

Assembly President Balbina Herrera yesterday indicated all of the country's sectors should defend Panama's democracy, opposition and government alike.

She said that Panamanians elected the democratic way and we should defend it at whatever cost for everyone's sake.

The legislative leader believes "the plot constitutes an affront against the powers of state and against democracy, which has cost the Panamanian people so much sacrifice."

She demanded that the authorities carry out an in-depth investigation to find the would-be perpetrators and the masterminds behind them in the shortest possible time. In so doing, they say, the authorities will restore the stability that our national development requires.

Herrera said it is disquieting to learn there are still groups who believe problems should be solved by disrupting constitutional order.

The [Democratic Revolutionary Party] PRD militants asked for all of the members of the military and civilian junta who contrived the foiled plan to be found.

On Wednesday, Government Minister Raul Montenegro announced the existence of an alleged subversive plot to assassinate President Ernesto Perez Balladares during opening ceremonies at the Flower Festival in Boquete, Chiriqui.

Attorney General Seeks Evidence Against Plot

PA1301154095 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Jan 95 p A-2

[Letter from Attorney General Jose Antonio Sossa R. to Government and Justice Minister Raul Montenegro D.; date, place not given]

[FBIS Translated Text] His Excellency Raul Montenegro D., government and justice minister, Mr. Minister:

Upon being informed of the charge you leveled yesterday afternoon regarding a crime against the legal status of the state and an attempt against the life and safety of his most excellent president of the Republic, we request from you the pertaining information, proof, and evidence for use as the basis of an official investigation that will be conducted in compliance with the constitutional duties assigned to the Public Prosecutor's Office to investigate and prosecute crimes.

I thank you for your cooperation and reaffirm my respect and consideration.

Jose Antonio Sossa, attorney general of the nation.

Boquete Police Units Transferred to Other Barracks

PA1301161095 Panama City LA PRENSA in Spanish 13 Jan 95 p A-2

[Report by Sandra Alicia Rivera]

[FBIS Translated Text] David, Chiriqui—Chiriqui Province Governor Ricardo Saval has said the police units that were stationed in Boquete were transferred to different barracks in Chiriqui Province.

He has said the measure was taken once the plot to assassinate President Ernesto Perez Balladares was uncovered. Eight members of the Public Force in Boquete and David are involved in the plot.

"We proceeded to transfer all Public Force units only from Boquete, not because we do not trust them but, rather, for security reasons. We have deployed new units to that sector; it is simply a change of personnel and will continue every three or four months," he has said.

Government and Justice Minister Raul Montenegro said in a news conference yesterday there are several officers involved in the plot against President Ernesto Perez Balladares.

The Public Force station in Boquete District has approximately 14 police units.

He has said personnel from the police station in David were deployed to Boquete. "We have trustworthy people in that area," he has said.

He also has said other precautionary measures have been taken, such as a revamping of the security system, particularly for the protection of the president in case more police units are involved in the case.

He has said today's security will be reinforced by both Public Force and Traffic Police units as well as by members of the Democratic Revolutionary Party (PRD).

Concerning the investigation of the case, he has said "we are going to reveal in a few days whether there are other people involved in this coup attempt," he has said.

Alexander Basich, Public Force commissioner in Chiriqui Province, has said normal measures will be taken prior to the arrival of the president in the province; therefore, they will be sending to Boquete approximately 50 units to safeguard the area in various parts of the district as well as at the Flower Festival.

Several Public Force units arrived in Chiriqui Province from Panama City yesterday afternoon.

Meanwhile, Lino Pitti, director of the National Directorate of Land Traffic and Transportation, has said checkpoints will be set up along the highway to Boquete.

Intelligence Sources Discuss 'Conspiracy'

PA1301172695 Panama City EL PANAMA AMERICA in Spanish 13 Jan 95 p A-1

[Report by Arnulfo Barroso Watson]

[FBIS Translated Text] A prominent businessman from Chiriqui Province, who remains unnamed, appears as the person bankrolling the conspiracy to kill President Ernesto Perez Balladares. In addition to military personnel and policemen, PRD [Democratic Revolutionary Party] doctors and businessmen from Chiriqui are involved in the conspiracy, state intelligence sources have disclosed.

Reports have stated the conspirators considered including Colonel Eduardo Herrera (retired) in the civilian and military junta, but he apparently had no knowledge of the plot.

Herrera, who was among those pardoned by President Perez Balladares, has said he was surprised he had been linked to the conspiracy and did not rule out that "top level civilians" may be connected to the movement denounced by the state.

The names of civilian Gabriel Alexis Aparicio, the former chief of the amphibian commando unit, former Captain Evidelio Quiel, and former Peace Battalion Chief German Gonzalez, who are facing murder counts, appear in this plot against the president. Quiel, who escaped in 1992, apparently lived in Cuba, whereas Gonzalez took refuge in Costa Rica.

Major Juan Marriaga, a former leader of the Peace Battalion and deputy chief of police in Cocle Province, was also linked to the plot. Marriaga returned not long ago from a course in Spain called "Policemen for Peace." Captain Marcos Mora Villamonte, who was assigned to the Modelo Jail some time ago, Sublieutenants Ismael and Julio Herrera, Corporal Ricardo Aguilar (serving in the Pedregal detachment in Chiriqui), and Adela Pitty were also arrested.

The name of a member of President Perez Balladares' escort was mentioned in the investigation, but his involvement with the conspiracy, dubbed "Action and Control," was ruled out.

Security corps are also investigating two U.S. citizens and two PRD businessmen who are allegedly linked to the "Action and Control" operation, a PRD legislative source has stated.

Meanwhile, Perez Balladares has said the conspiracy was "bloodcurdling" and concocted by "military personnel with demented plans" and civilians accustomed to receiving privileges. He has said part of the plan was to kill First Vice President Tomas Gabriel Altamirano Duque and Government Minister Raul Montenegro. It also contemplated taking over the Boquete and David garrisons, isolating Chiriqui by land and creating a government junta. That plan was impossible, but that does not mean you are going to stop a madman's bullet with your body, he has said.

In addition, former Prosecutor Felix Perez, who investigated the 1993 attack on the Arnulfist Party convention, has said the participation of Public Force members was uncovered in that attempt, whereas SPI [Institutional Protection Service] and DIIP [Police Investigation and Information Department] investigators tried to center their investigation on an Argentine national.

Report Notes Investigation Into Foiled 'Conspiracy'

PA1301172995 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Jan 94 p 1

[Report by James Aparicio]

[FBIS Translated Text] An investigation by LA ESTRELLA DE PANAMA has disclosed that government intelligence organizations have identified some 50 people, including businessmen, doctors, civilians, former military members, and active policemen, who are involved in the foiled conspiracy to assassinate President Ernesto Perez Balladares.

An anonymous high-level source of the Council for Public Security and National Defense (CDSN) has said the plotting cells were uncovered in the provinces of Panama, Cocle, and Chiriqui.

"We decided to put an end to this act," the source has said, adding Deputy Government Minister Martin Torrijos began an administrative investigation of the National Police yesterday.

LA ESTRELLA DE PANAMA has learned the attempt followed the same pattern of the conspiracies faced by former President Guillermo Endara from 1990-1994. Following the U.S. military intervention on 20 December 1989, former military members and civilians loyal to the regime of General Manuel Antonio Noriega formed subversive groups including the M-20 [20 December Movement], the VPT-20 [20 December Torrijist Patriotic Vanguard], the MTLN [Torrijist National Liberation Movement], the OLP [Organization for the Liberation of Panama], and the FPLS [expansion not known].

Businessman and rancher Gabriel Alexis Aparicio, former Captain German Gonzalez Pitty, and former Captain Evidelio Quiel are among the presumed members of the conspiracy. This plot also sought to murder the two vice presidents, Government Minister Raul Montenegro, and to establish a civilian-military government.

Gonzalez Pitty was head of the Peace Battalion in Chiriqui, right-hand officer of General Noriega, and a member of the Los Pumas de Tocumen Company while Quiel was head of the elite amphibious unit of the defunct Defense Forces. Quiel, who was injured on 20 December 1989, was under house arrest accused of participating in the 3 October execution of Major Moises Giroldi and 10 other officers who tried to overthrow Noriega.

Major Juan Marriaga, under arrest, is an agricultural expert who worked for the defunct National Guard. Marriaga was also a member of the Peace Battalion and was head of personnel of the Cocle Police Zone.

A police report has revealed Marriaga had just arrived from Spain, where he took a 75-day course in peace police operations.

According to the LA ESTRELLA DE PANAMA investigation, the conspiracy meetings were held at Marriaga's residence in Chiriqui.

Captain Marcos Mora Villamonte was head of personnel for the police in Chiriqui and pursued infantry studies at the Jose Maria Cordoba School in Colombia.

CTRP Not Ruling Out Plot as 'Political Ploy'

PA1301181895 Panama City EL PANAMA AMERICA in Spanish 13 Jan 95 p A-1

[Report by Aquilino Ortega Luna]

[FBIS Translated Text] The Confederation of Workers of the Republic of Panama (CTRP) is not ruling out the possibility the alleged plot to kill President Ernesto Perez Balladares may be a "political ploy" to divert the people and to approve the Labor Code amendments without the consensus of workers.

According to CTRP Defense Secretary Guillermo Puga, it has become customary in this country that every time the government has to handle hot issues, this sort of thing happens to divert the attention of the people and to introduce a surreptitious action.

It is not that we are doubting the veracity of the facts, Puga has said, but we still lack sufficient judgmental elements to establish whether this happened.

He added that if the foiled coup is not real, the government should be responsible enough and announce it to the country.

Puga has said if there was indeed a conspiracy and the lives of the president and certain aides, as well as the democratic process the country is experiencing, were in danger, it must serve as a warning to the government to reflect on how it is acting.

PRD Front Conveys Support to Perez Balladeres

PA1301153995 Panama City LA ESTRELLA DE PANAMA in Spanish 13 Jan 95 p A-7

[Text of a letter sent to President Ernesto Perez Balladares from M. Alfredo Aleman Ch. and Adsinar Cajar, secretary general and deputy secretary general, respectively, of the Democratic Revolutionary Party Business Front issued in Panama City on 12 January]

[FBIS Translated Text] Panama City, 12 January 1995

His Excellency

Dr. Ernesto Perez Balladares

President of the Republic of Panama

Mr. President:

The Board of Directors of the PRD Business Front as well as our full membership convey to you our most firm and patriotic support, expressing to you our deepest confidence in the strength of your government and the democratic institutionality of the state.

The condemnable plot disclosed yesterday by the proper authorities, which included your assassination and that of close collaborators, with the purpose of installing a misgovernment removed from the democratic will of the citizens, deserves the firmest rejection and the most forceful condemnation by all Panamanians who have a patriotic awareness.

Likewise, irresponsible statements made in an attempt to take political advantage of the current circumstances, which link sectors of our party with the criminal plot we are condemning, are inadmissible.

Reiterating our backing and support, we emphasize the determination of the Business Front to defend our democratic institutions and you, as president, through all the legal and democratic means made available to us.

Sincerely, the Board of Directors,

M. Alfredo Aleman Ch., secretary general

Adsinar Cajar, deputy secretary general

Involved PRD Members To Be Expelled

PA1301181795 Panama City EL PANAMA AMERICA in Spanish 13 Jan 95 p A-1

[Report by Carlos Vargas]

[FBIS Translated Text] Gerardo Gonzalez, president of the Democratic Revolutionary Party (PRD), said yesterday any member of this party involved in the plot to assassinate President Ernesto Perez Balladares will be automatically expelled from that political organization.

Gonzalez said the coupists planned to abolish the Legislative Assembly and the judicial branch in order to install an antidemocratic government.

Gonzalez asked the government to adopt the necessary public security measures to defend democracy and the government.

The PRD legislator issued these warnings yesterday during a debate which took place at an assembly session and lasted more than five hours. The objective of this debate was to approve a resolution condemning the conspiracy to assassinate President Perez Balladares and other government officials.

Gonzalez acknowledged and praised the responsible role played by the opposition parties to defend the country's institutions and urged them to build a "common ground" to maintain a state of law.

Meanwhile, opposition Legislator Alberto Cigarruista has said the coup attempt indicates there are still people within the PRD who want the military to return to power.

PDC Rejects 'Conspiracy' Against President

PA1301191595 Panama City Telemetro Television Network in Spanish 1730 GMT 13 Jan 95

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] The Christian Democratic Party [PDC] today announced its rejection of any attempt to disrupt constitutional order in the country, even more so when human lives are at stake. The PDC issued this public declaration following recent events after the government announced a conspiracy to assassinate President Ernesto Perez Balladares:

[Begin PDC acting President Gabriel Cedeno recording] The presumed plot against the president has not only sown concern among the people but has had very serious international implications. These accusations adversely affect the country's economy, thus worsening the high rates of unemployment and poverty. The PDC believes all details resulting from the investigations conducted by the Attorney General's Office as well as the corresponding penalties issued for those involved in the presumed crime, even if they are members of the PRD, must be disclosed for the country's sake. [end recording]

At the same time, the PDC asked for the suspension of the debates held during special assembly sessions on draft reform bills involving the Institute of Hydraulic Resources and Electrification, the National Institute of Telecommunications, and the Interoceanic Region Authority as well as modifications of the labor code. PDC members also asked for the budget measures to be reconsidered, because these measures introduce elements of social upheaval into our population according to the party.

Individual Accused in Plot Views Charges

PA1301195795 Panama City Telemetro Television Network in Spanish 1730 GMT 13 Jan 95

[Telephone interview with Gabriel Alexis Aparicio, accused of participating in an alleged plot to assassinate President Ernesto Perez Balladares, from an undisclosed location in Costa Rica, by Telemetro News Director Dorita de Reyna, in Panama City, on 13 January, from the "Telemetro Reports" newscast—recorded]

[FBIS Translated Text] [Begin De Reyna recording] Mr. Gabriel Alexis Aparicio, you are mentioned as a fugitive in the plot uncovered to assassinate the president today in Boquete. What do you have to say about that charge, given you are calling us from Costa Rica?

[Castro] That is the biggest lie and fabrication invented in recent times here in the Republic of Panama. [sentence as heard] That statement is absolutely false, because I am a member of the PRD [Democratic Revolutionary Party], something which I proved during the campaign, when my family and I made physical and economic contributions to the campaign in Chiriqui Province.

I am a man devoted to rice farming. I plant about 500 hectares. We have a herd of (delord) cattle which is perhaps the best in Central America. We have a stud farm for raising thoroughbreds. We are also confronting certain problems with the inheritance, which totals $7 million, left by my father....

[De Reyna, interrupting] Sir, but....

[Castro, interrupting] This is the origin of the accusation that a person has made some telephone calls implicating me in this affair.

[De Reyna] Who is that person?

[Castro] Mr. Felix Perez. He has implicated me in the Boquete attack and mentioned me as a possible....

[Reyna, interrupting] Are you referring to the Boquete attack planned against former President Endara?

[Castro] I have nothing to do with that matter because I had been living outside the country for approximately two years. I had been living outside the country for two years, a point which they have corroborated and even have tried to tamper with in this case. I believe the Prosecutor's Office has ordered a new investigation. I have evidence corroborating where I was during those days and what I was doing. That evidence is supported by Costa Rica's Foreign Ministry.

[De Reyna] But you are mentioned not as an active participant but, rather, as one of the people who financed the operation.

[Castro] I am the one who needs financing presently, because my farms have deteriorated as a result of my stay outside the country, something which you can corroborate by looking into my bank accounts. I have a large financial obligation with a local bank. I have had to sell two properties in Baru District and close to 1,000 heads of cattle to meet my economic obligations. I am confronting a bad economic situation, and I have been trying to get back into my country for the past five years so as to resume my activities.

[De Reyna] Why are you not allowed in Panama?

[Castro] Because the Prosecutor's Office had asked the dismissal of the case against me, but the sixth judge of Chiriqui Province has filed an appeal.

[De Reyna] To which cases are you referring?

[Castro] Other types of accusations regarding a dispute concerning some land I maintain in La Barqueta farm, which was already sold without the Supreme Court ruling issuing the final resolution.

[De Reyna] Are you willing to return to Panama to face the charges made against you on the plot against President Perez Balladares?

[Castro] Of course. One hour ago, I telephoned Chiriqui Province Governor Ricardo Saval, who knows me personally, because we have worked together in the province, done business together. I asked him to speak to Dr. Perez Balladares and Government and Justice Minister Raul Montenegro and tell them I want to turn myself into Perez Balladares. I want this investigation to be held in public, before the radio and television stations, so as to clarify this lie and cleanse my name and that of my family.

Opposition Groups Reject Plot Against President

PA1501010595 Panama City EL PANAMA AMERICA in Spanish 14 Jan 95 p E-14

[Report by Carlos Anel Cordero]

[FBIS Translated Text] The National Democratic Coordinating Board (CDN) yesterday rejected any attempt or plan aimed at replacing, through forceful means, the organs of government of the Panamanian State.

In addition, the CDN urged the government to conduct an investigation and widely publicize its results, as well as the responsibility of those denounced for trying to kill the president of the republic and his closest aides.

According to the CDN, Panama cannot return to the "merciless" military regime that governed the country for 21 years and that was supported by civilians who belonged to the PRD [Democratic Revolutionary Party], which is in power today.

Allowing this type of situation would be a return to the past, in which an institutionalized repression apparatus was established against all norms of human rights.

Meanwhile, Gabriel Cedeno, acting president of the PDC [Christian Democratic Party], has said that under no circumstance can a return to the past of coup d'etats be allowed to happen, however, he warned that the government's antipopular attitude causes a great deal of social unrest.

According to the PDC leader, a bad government does not justify nor should it be the cause for an attack against democracy, therefore, he continued, his party supports the institution represented by the president of the republic as the highest figure in a democratic government, who was also elected by the people.

In addition, the Board of Directors of the PDC yesterday asked the executive and legislative branches to suspend the discussion of antipopular bills that are being discussed at the legislative plenum.

Businessmen Fear Plot To Scare Away Investors

PA1501125195 Panama City ACAN in Spanish 1642 GMT 14 Jan 95

[FBIS Translated Text] Panama City, 14 Jan (ACAN-EFE)—Panamanian businessmen fear that the failed plot against President Ernesto Perez Balladares and legitimate democracy will present an image of instability around the world and scare away investors.

Various sources have told ACAN-EFE that the business sector was perplexed by the news that a group made up of active policemen—including a major, a captain, and two lieutenants—former soldiers, and civilians plotted to kill the president and stage a coup d'etat on Friday.

The businessmen praised the swift and effective response of the state security forces, which arrested 12 active duty policemen for their complicity in the plot, but described the situation as unfortunate and very negative.

Victoria Figge, manager of the Colon Free Zone, the largest free zone in Latin America and home to approximately 3,000 companies, told ACAN-EFE that such an occurrence "creates very serious apprehension and could even scare away potential investors."

The possibility of an assassination attempt against the country's president "results in alarm and could have negative effects," the executive added. Figge regrets that there are still people who are prepared to assassinate not only the head of state but liberty and democracy as well.

Figge argued that national development can only occur in a free, democratic system. She also expressed her belief that a return to a situation similar to the past, when the nation was ruled by a military government from 1968 to 1989, is not possible.

Luis Barraza, president of the Association of Panamanian Industrialists, said countries around the world are aware of the coup plot, and "a number of them" will have doubts about coming to Panama.

Barraza de Freitas told ACAN-EFE that a climate of instability exists, that militarism has still not been brought under control, and that if an attempt can be made against the president, it can be made against other sectors.

Barraza de Freitas demanded a thorough investigation of the coupist plot and that those involved be punished to the full extent of the law. He added that they must be punished to eliminate the resentment created by this situation in all sectors of the country.

Regarding the former military personnel implicated in the plot, the business leader warned that for many years they "did as they pleased," and no one asked them to account for their actions. That is why this is the opportune moment to clear this matter up.

Presidential sources said the important point is that the plot was quickly dismantled, thus demonstrating to the international community that the state has sufficient resources to counter such situations and that there will be no return to militarism.

President Perez Balladarez also referred to the economic aspect of the attempted coup by pointing out that those who attempted to destabilize the country were people who do not see "a mechanism for self-enrichment" in a government with a vision toward development. In a trip to Chiriqui Province on the border with Costa Rica, the location where the assassination was to have taken place, the president affirmed that the plotters saw his party's victory not as a mechanism for social redress and a means to aid the poor and humble masses but as an instrument to use for their own benefit.

The PRD [Democratic Revolutionary Party], led by the Panamanian president, was the political arm of the military regime until 20 December 1989, when former General Manuel Antonio Noriega was overthrown by a U.S. Army invasion.

The Panamanian Government has sent the National Assembly a "package" of proposals of great importance to its economic program, which is based on the liberalization of trade, the privatization of state-owned companies, and the attraction of foreign investment, which the country is currently achieving "little by little."

Political leaders such as Christian Democrat Ruben Arosemena have asked that the debate regarding these proposals be suspended for fear they might further ignite tempers.

In this respect, he referred to businessman Luis Barraza de Freitas, who has been critical of the government's economic program, asking him to reconsider some actions "which could arouse the people's anger. "

Argentina

Economy Minister Cavallo Returns From U.S. 'Satisfied'

PY1301201595 Buenos Aires TELAM in Spanish 1459 GMT 13 Jan 95

[FBIS Translated Text] Buenos Aires, 13 Jan (TELAM)—Economy Minister Domingo Cavallo returned here today from the United States satisfied with the favorable way in which his messages on the firmness of the Argentine economy had been received by bankers and investors.

Cavallo, relaxed and with his shirtsleeves rolled up, arrived at 1030 today at Ezeiza International Airport on a United Airlines flight directly from New York.

The minister immediately met with Economy Ministry officials, who informed him of the latest developments.

Still in New York, and shortly before returning to our country last night, Cavallo held a news conference. During his news conference he expressed his satisfaction over his informative mission to New York, to counteract a crisis involving a lack of confidence in Latin America prompted by the Mexican peso devaluation.

Cavallo emphasized that his interlocutors "were very receptive," and that they had expressed keen interest in pursuing their investments in Argentina and bidding on the state-owned enterprises that have still not been privatized, "which guarantees that investments will keep flowing in."

The minister noted: "At worst, direct foreign investment will total $4.6 billion this year. At best, it will total more than $8 billion, which would represent a 6.5 percent growth."

Cavallo hopes that "the investors will make their decisions based on their trust" in the Argentine system.

Cavallo said: "I believe that our explanations served to increase their trust. If this is the case, we would have a very favorable scenario and would receive investments totalling $8.6 billion."

Cavallo noted that this trust will increase even more when "they realize that the monetary and financial system is strong and perfectly capable of overcoming the crisis prompted" by the plummeting Mexican peso.

The minister said he believes that he has cleared all doubts that "Argentina will not devaluate," after elaborating on the extent of the Convertibility Plan, which guarantees an exchange rate of 1 peso to the dollar.

Cavallo: 'There is No Threat to Our Stability'

BR1301144195 Paris LE MONDE in French 13 Jan 95 p 4

[Report by Christine Legrand: "Argentina Retains Confidence in its 'Model'"]

[FBIS Translated Excerpt] Buenos Aires—"The Argentine economic plan has successfully withstood the shockwaves caused by the Mexican crisis. There is no threat to our stability. There has been no massive flight of capital and there will be no devaluation." Two weeks after the collapse of the Mexican currency, which shook the financial system of the countries of Latin America, Argentine Economics Minister Domingo Cavallo has lost none of his optimism. "In the long term," he said, "this crisis could even prove favorable, since it will show that the Argentine model is solid."

However, the strongman of the Menem government does not conceal his concern at the fall recorded by the Buenos Aires Stock Exchange—which reached a level of between 5 and 7 percent the day after the Mexican crisis—and the drop in the value of securities issued to pay off the Argentine national debt on international markets. "This loss of confidence means an increase in credit rates for the Argentine economy both abroad and at home. It shows how, in the wake of the Mexican crisis, foreign investors have taken fright and tarred all Latin American countries with the same brush," he explained. [passage omitted]

The "Mexico Effect"

Nonetheless, according to the minister of economics, the bank's reserves remain intact, reaching a total of $17 billion, and the conversion of pesos to dollars is nothing to worry about. Indeed, since the 1991 convertibility plan, which legally guaranteed the parity between the local currency and the dollar, the Central Bank has had to put one dollar back into its reserves for every peso issued. "The Argentine system ensures the transparency that is necessary to avoid any Mexican-style surprises," Mr. Cavallo promised. He advises the Mexicans to adopt the same exchange policy with a view to remedying their financial crisis. [passage omitted]

Israel's Peres Arrives, Comments on Probe Into Attacks

PY1301165895 Buenos Aires TELAM in Spanish 1400 GMT 13 Jan 95

[FBIS Translated Text] Buenos Aires, 13 Jan (TELAM)—On 13 January, Israeli Foreign Minister Shim'on Peres praised the policy adopted by President Carlos Menem against anti-Semitism and underscored the Argentine Government's effort to clear up the attacks on the Israeli Embassy in Argentina and on the AMIA [Argentine-Israeli Mutual Association] headquarters.

"Menem furthered a policy of countering anti-Semitism and this policy will be successful," he pointed out.

The Israeli foreign minister arrived at Ezeiza International Airport at 0730 [1030 GMT] amid tight security. There, he was greeted by Yitzhaq Aviran, the Israeli ambassador to Argentina.

He then traveled to the Jorge Newbery Metropolitan Airport aboard a helicopter belonging to the Presidency of the nation. Upon his arrival, he was greeted by Argentine Vice Foreign Minister Fernando Petrella.

The vice foreign minister pointed out that "it is a very important visit, since it is a follow-up to the meetings President Menem and Foreign Minister Guido Di Tella had with Israeli authorities on general items as well as on subjects of common interest."

Peres then went to the Alvear Palace Hotel, where he had an encounter with journalists, during which he expressed his satisfaction about "President Menem's good judgment and good will" in trying to solve the Middle East conflict.

"I feel a hundred percent sure of Argentina," he underlined. Commenting on the attacks on the AMIA headquarters and the Israeli Embassy here, Peres stated that "there is a still a lot of work to do because the probe is only half completed."

"We greatly appreciate the effort made by President Menem to clear up the attacks," he underscored.

The Israeli foreign minister pointed out that "(the Israeli Government) will feel satisfied when those responsible for both attacks are detected or arrested."

Further Remarks on Attack

PY1301171595 Buenos Aires TELAM in Spanish 1500 GMT 13 Jan 95

[FBIS Translated Excerpt] Israeli Foreign Minister Shim'on Peres today played down Israeli Ambassador Yitzhaq Aviran's warning on the possibility of a new terrorist attack in Argentina.

"Aviran stressed the need to pay more attention to people (terrorists) crossing the borders," Peres said during a news conference at the Olivos presidential residence.

The car carrying Peres entered the presidential residence at 0930 protected by a strong security operation that included patrols, motorcycles, and a Federal Police assault vehicle.

The Israeli official said that "Syria could have done a lot more to stop Hizballah's activities in southern Lebanon," admitting that in that country "terrorist acts are called acts of liberation."

Peres stressed the fact that Jewish, Catholic, and Muslim communities coexist in Argentina, adding "it would be very important if what happens here could also occur in the Middle East."

"Our enemy is not a religion, but a mistaken policy. What is important is that we can change it," Peres said.

Later Peres drove to the site of the destroyed AMIA [Argentine-Israeli Mutual Association] headquarters at 600 Pasteur Street, where a group of approximately 100 people welcomed him.

Here the foreign minister laid a flower wreath in memory of those who died during the 18 July 1994 attack.

Then he repeated the same ceremony at Arroyo and Suipacha, where the building that formerly housed the Israeli Embassy is located. [passage omitted]

[Buenos Aires TELAM in Spanish at 1427 GMT on 13 January carries a related report that adds the following: "Israeli Foreign Minister Shim'on Peres warned today that those responsible for the attack against his country's embassy and the AMIA 'should not be carried away by the illusion that they will not be harmed by the investigation.'"]

[Buenos Aires NOTICIAS ARGENTINAS in Spanish at 1441 GMT on 13 January carries a report on the visit and remarks by Shim'on Peres that adds: "Israeli Foreign Minister Shim'on Peres said today that the best way to fight terrorism is not to fear it, adding that he felt secure in Argentina."]

Meets Menem, Discusses Terrorism

PY1301183695 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1556 GMT 13 Jan 95

[FBIS Translated Text] Buenos Aires, 13 Jan (NA)—Israeli Foreign Minister Shim'on Peres played down the possibility of a third terrorist attack taking place in Argentina and said he felt confident that those responsible for the bomb attack on the AMIA [Argentine-Israeli Mutual Association] headquarters will soon be arrested. He warned terrorists "not to run away with the idea that they will emerge from the probe unscathed."

Peres made these remarks during a news conference granted at the Olivos presidential residence after meeting with President Carlos Menem, with whom he discussed issues pertaining to the bloody terrorist attacks perpetrated against the Israeli Embassy in Buenos Aires on 17 March 1992 and the AMIA headquarters last 18 July.

Amid an impressive security operation, which included personnel of the Halcon Group from the Buenos Aires Province Police and a convoy comprising 16 cars, 20 policemen on motorcycles, two armored cars, and two ambulances, Peres arrived at the Olivos presidential residence at 0930 [1230 GMT] accompanied by Israeli Ambassador to Argentina Ytzhaq Aviran.

President Menem was waiting for him inside the residence, accompanied by Foreign Minister Guido Di Tella, Interior Minister Carlos Corach, SIDE (State Intelligence Secretariat] head Hugo Anzorregui, and Secretary General of the Presidency Eduardo Bauza, among other government officials.

Having exchanged greetings according to protocol, Menem and Peres went to the former's office, where they met for an hour. Following their meeting, they went to the front door of the residence, where they posed for photographers.

Menem subsequently accompanied the Israeli prime minister to the auditorium of the presidential residence, where nearly 100 journalists were awaiting his arrival for a news conference.

Having expressed his satisfaction with President Menem's "good will" in trying to mediate in the Middle East conflict, Peres underscored that "I feel totally safe in Argentina." Concerning the attack on the AMIA headquarters, Peres said that "there is still a lot of work to do because the probe is only half completed."

He then indicated that the objective of his visit to Argentina—which will last for only a few hours—was "to support any action" undertaken by intelligence services to discover the contacts the terrorists groups that masterminded the attack had in Argentina.

To that effect, Peres noted that Menem "is pursuing a policy against anti-Semitism, which I believe will be successful."

He expressed his satisfaction with investigators' actions, but stressed that "we will be satisfied once the culprits are detected and arrested."

He warned those responsible for both attacks "not to run away with the idea that they will emerge from the probe unscathed."

He further stated that "I would like to say two things—terrorism obviously entails a certain danger, but the greatest danger is to exaggerate its strength; terrorists are no so perfect as everybody says, nor are they as immune as people believe."

"We will capture those responsible for planting the bombs in Buenos Aires. Perhaps it will take some time, but—as far as I know—neither the Israeli nor the Argentine governments have given up on their investigations to find the culprits," he added.

Peres underlined that "we are not willing to provide any information to terrorists while the investigations are under way."

Later, a reporter asked him to comment on the incident that took place after Menem's return from Syria concerning his remarks about the Golan Heights.

"The issue was cleared up immediately after President Menem's return from Syria and we greatly appreciate his commitment," Peres asserted.

Departs for Uruguay

PY1301185995 Buenos Aires TELAM in Spanish 1807 GMT 13 Jan 95

[FBIS Translated Text] Buenos Aires, 13 Jan (TELAM)-—Israeli Foreign Minister Shimon Peres departed at 1500 [1800 GMT] from the military base of the Jorge Newbery Airport for Punta del Este [Uruguay], where over the weekend he will meet with leaders of Latin American Jewish communities.

Peres, who arrived here this morning to meet with President Carlos Menem, travelled to the Uruguayan seaside resort on board a Lear jet.

Central Bank Chair Announces $1 Billion 'Security Fund'

PY1301205395 Buenos Aires TELAM in Spanish 1622 GMT 13 Jan 95

[FBIS Translated Text] Buenos Aires, 13 Jan (TELAM)-—According to Roque Fernandez, chairman of the Central Bank of the Argentine Republic [BCRA], the National Bank will be the principal body charged with administrating a $1 billion fund for assisting banks with liquidity problems.

In remarks to Radio Mitre, Fernandez explained: "The security fund totals about $1 billion, and the National Bank will play a leading role, but the Mortgage Bank and other banks will also participate in this system."

The BCRA chairman said: "By reducing the bank liquidity ratio we will continue to work toward rebuilding and normalizing the interfinancial loan system."

Assessing BCRA actions since the beginning of the financial crisis, the BCRA chairman pointed out: "The private security network made up of 12 banks did operate, but it did not have the required agility; by implementing this system we want to supply greater funds and increased agility."

The BCRA chairman indicated: "A very pessimistic trend existing among dealers was reversed yesterday. Even though we are still far from last year's normal situation, there is a positive change in trend."

Fernandez added: "The measures that we took yesterday (a reduction in the bank liquidity ratio and equalizing this ratio in pesos and dollars) represents a signal that the government will maintain convertibility and stability."

Fernandez pointed out: "By reducing the bank liquidity ratio, we want to assist in solving the lack of liquidity problems, but remember that we will again increase the bank liquidity ratio in February. This merely represents a transitory situation."

The BCRA chairman predicted: "Monitoring the prices in London, today's situation has begun well. I believe stability and an optimistic trend will prevail today."

Bolivia

Antinarcotics Commander Tenders Resignation

PY1201202995 La Paz Television Nácional Network in Spanish 0100 GMT 12 Jan 95

[Report by Amalia Pando]

[FBIS Translated Text] Without explanation, General Renato Lopez Leyton has tendered his resignation as Special Antinarcotics Force [FELCN] commander. In his farewell statement, Lopez Leyton said that Isaac Chavarria was the most important drug trafficker that the FELCN had arrested during his administration.

Gen. Renato Lopez Leyton today attended his last news conference as FELCN commander. At 1800 he tendered his resignation to Government Minister Carlos Sanchez Berzain.

[Begin recording] [Lopez Leyton] Right now I am heading for the government minister's office to personally tender my resignation.

[Unidentified reporter] Did he request your resignation?

[Lopez Leyton] No, no.

[Reporter] What are the reasons for this decision, general?

[Lopez Leyton] This is a personal decision. For ethical reasons I will not issue a press statement until after I report to the government minister.

[Reporter] Is this an irrevocable resignation?

[Lopez Leyton] Yes, it is an irrevocable resignation. [end recording]

The press statement was never issued, however. There must be something behind this resignation, because Gen. Lopez Leyton decided to keep quiet.

It is expected that tomorrow at 1100 Government Minister Sanchez Berzain will install Lopez Leyton's successor. This afternoon Lopez Leyton disclosed figures about operations, seizures, and arrests during his administration.

[Begin Lopez Leyton recording] We implemented a triple control over the entrance of precursors into the country and over drug shipments. [end recording]

The figures issued by the outgoing FELCN commander show that during the current administration there have been more operations, more arrests, and more maceration pits and drug factories destroyed. More precursors were seized, but a lesser amount of drugs.

Antidrug operations increased three-fold since 1990, but the amount of drugs seized was seven times less. What happened?

[Begin recording] [Lopez Leyton] There has been greater control.

[Reporter] And less production?

[Lopez Leyton] And, of course, less production. If there is a lack of resources, such as precursors, needed to manufacture the drugs, production will obviously decrease. [end recording]

That is one way of looking at the issue. According to Lopez Leyton fewer drugs are produced in Bolivia nowadays. The other explanation is that narcotrafficking is avoiding the FELCN as never before. Coca production has not decreased, and neither have its prices. There is still a demand, therefore, for the main raw material needed to manufacture cocaine.

Army General Command Appointments Disclosed

PY1201235295 La Paz PRESENCIA in Spanish 31 Dec 94 p 7

[FBIS Translated Excerpt] The Armed Forces General Appointments Order for 1995, which was signed by President Gonzalo Sanchez de Lozada and published yesterday in all the military garrisons, has revealed a shortage of generals due to the interruption in the promotion of colonels to generals in 1994, as a result of the new structuring of the high military command.

The new structuring can be seen in the appointment of colonels from the class of 1967 to the 10 Army divisions that in the past had been headed by brigadier generals. [passage omitted]

The following is the list of the Army Appointments Order that was given to PRESENCIA:

Army General Command
Army Commander: General Adel Montero Cortez.
Army Chief of Staff: General Freddy Balderrama Casanovas.
Army Inspector General: General Armando Balcazar Botelho.
Chief of Financial Administration Department: General Eduardo Vasquez Videa.
Chief of the Military Household: Colonel Johnny Mackay Peralta
Chief of the Information and Public Relations Department: Colonel Felix Moreno Gil.

Army Division Commanders
1st Andean Division: Colonel Jorge Salazar Teran (Viacha).
2d Andean Division: Colonel Nicolas Arancibia Borda (Oruro).
3d Jungle Division: Colonel Rafael Sainz Sivila (Villamontes).
4th Jungle Division: Colonel Julio Valenzuela Cordoba (Camiri).
5th Jungle Division: Colonel Luis Montero Zankys (Robore).
6th Jungle Division: Colonel Antonio Ortiz Duran (Trinidad).
7th Airborne Division: Colonel Alfonso Saavedra Franco (Cochabamba).
8th Jungle Division: Colonel Jorge Rodriguez Roca (Santa Cruz).
9th Jungle Division: Colonel Eduardo Toro Llano (Rurrenabaque).

10th Andean Division: Colonel Luis Flores Borda (Tupiza).

Aranibar Reacts to Remarks by Chilean Foreign Minister

PY1201231395 La Paz PRESENCIA in Spanish 4 Jan 95 p 1

[FBIS Translated Text] Bolivian Foreign Minister Antonio Aranibar Quiroga, in response to a comment by his Chilean counterpart Jose Miguel Insulza that it would be easier to resume diplomatic relations with Bolivia than with Cuba, but without taking the landlocked problem into account, yesterday asserted that one cannot address this subject "improperly" all the time.

Moreover, during a news conference President Gonzalo Sanchez de Lozada explained that the necessary conditions still do not exist for resuming diplomatic relations with the neighboring country, and therefore the subject is not included on his government's agenda.

In a statement to a Chilean daily, Insulza said that "it would be easier to fully restore relations with Bolivia than to resume diplomatic relations with Cuba," which is a decision apparently already taken by the Chilean Government, "because it is something that the Chilean authorities are willing to do, as long as that country's (Bolivia) landlocked situation is not included."

In this sense Aranibar said that the Bolivian stance on the issue is already known. In pointing out that he is not going to raise the issue again, he said that "I cannot address this subject improperly all the time, can I?"

President Sanchez asserted that on the subject of relations with Chile, there is still a lot to be done in the commercial field: "We believe it is necessary, but we want to make safe progress so that we are not faced with other circumstances that may again tempt us to interrupt our relations."

Sanchez de Lozada explained that the conditions mentioned by Insulza "are not surprising in view of the traditional Chilean stance." "We must understand that things will start to become clear in time," he said.

According to Sanchez de Lozada, his government has been "very active in discussing various aspects (with Chile)" before exclusively tackling the maritime subject.

Brazil

Cardoso Link Denied With Man Said To Help U.S. Commerce Secretary

PY1701014995 Sao Paulo AGENCIA ESTADO in Portuguese 2157 GMT 16 Jan 95

[FBIS Translated Text] Brasilia, 16 Jan (AE)—Through its press office, Planalto Palace today denied a report that businessman Jose Amaro Pinto Ramos is linked with President Fernando Henrique Cardoso. Press adviser Ana Tavares said: "The president and his advisers do not know who that man is." She added: "There is no connection between that businessman and the president."

According to a report carried by the U.S. weekly U.S. NEWS AND WORLD REPORT, Ramos secretly helped U.S. Commerce Secretary Ron Brown purchase a house in Washington after Brown was sworn into office.

According to reports released today, Ramos introduced James Carville—an adviser to President Bill Clinton—to Cardoso's advisers during the Brazilian electoral campaign. Carville helped in Cardoso's campaign during the second half of 1994.

Justice Minister 'Unaware' of U.S. Drug Aid Suspension

PY1601231195 Sao Paulo AGENCIA ESTADO in Portuguese 1853 GMT 16 Jan 95

[Report by Ayrton Centeno]

[FBIS Translated Text] Porto Alegre, 16 Jan (AE)—Justice Minister Nelson Jobim today denied reports that the government has decided to leave the oil monopoly issue out of the constitutional revision proposal. He noted that the government has not yet made any decision on the issue. He said: "We are examining the case and we will make a decision by 15 February." Jobim came to Porto Alegre to meet Rio Grande do Sul Governor Antonio Britto (PMDB) [Brazilian Democratic Movement Party].

In brief remarks upon leaving Governor Britto's office, Jobim described as "meager" the $200,000 current U.S. aid to Brazil to fight the drug trade. "It is a minimal aid," Jobim said, without specifying what would be a reasonable amount. Jobim said he is unaware of a suspension of the U.S. aid to the Brazilian drug enforcement program. The suspension was confirmed to AGENCIA ESTADO by Superintendent Sergio Sakon, director of the Federal Police Drug Enforcement Division (DRE). Jobim described Sakon's remarks as "inappropriate."

In the next few weeks, Jobim is scheduled to meet U.S. Attorney General Janet Reno to discuss the drug issue. Jobim does not want the United States to limit itiself to helping Brazil fight the outgoing drugs from Brazil, but to fight incoming drugs as well. He does not want the agreement to just provide for a more significant amount. He also wants the agreement to include personnel training and equipment supply.

Reactions to Suspension of U.S. Antidrug Aid Noted

PY1601174895 Sao Paulo AGENCIA ESTADO in Portuguese 1950 GMT 15 Jan 95

[By Aldo Renato Soares]

[FBIS Translated Text] Brasilia, 15 Jan (AE)—After finding out that the Brazilian Government has no political will to fight drug trafficking, the United States has suspended the financial aid for drug enforcement granted to Brazil. An agreement signed by the two countries in 1983 provided for U.S. financial aid, which in 1988 amounted to $2 million. Last year, the Federal Police [PF] received only $200,000 for buying equipment. The report on the U.S. decision was received in Brazil during the final days of the Itamar Franco administration. A short State Department message said that the United States would no longer provide aid to the Federal Police.

According to Superintendent Sergio Sakon, director of the PF Drug Enforcement Division (DRE), the most serious consequence of the U.S. decision is that Brazil can lose access to DEA information on drug cartel movements. Sakon noted that the U.S. decision was being awaited. DEA agents who particiated in some joint operations with the PF were astonished at the lack of resources on the part of the Brazilian police. "The government's lack of political will to fight drug trafficking caused this U.S. reaction," Sakon said.

The Federal Police superintendents themselves have recognized that the antidrug effort is precarious. There is a personnel shortage, the fleet of vehicles is obsolete, and whenever a helicopter is needed, the PF has to borrow one from the Air Force. "There is no antidrug fight in this country," Sakon said

The conditions in which the PF fights drug trafficking are alarming. The DRE, which from Brasilia coordinates drug enforcement all over the country, has only two superintendents. Most PF checkpoints on the Bolivian, Paraguayan, and Colombian borders—which are considered the most important cocaine corridors—have just a few policemen and no equipment. For their operations, policemen many times have to use the vehicles that were seized from smugglers. "There is no serious drug enforcement effort on the borders," Sakon charged. There is just one policeman at the only PF checkpoint on the border between Bolivia and Acre.

According to Sakon, the lack of PF structure is nothing new. No new personnel have been hired for the past eight years. The PF should have approximately 20,000 men, but they have nearly 5,000. Despite all this, in 1994 the PF seized a record quantity of cocaine: 11,800 tonnes, almost twice as much as the quantity seized in 1993. The DRE director added that "Operation Rio," which is being carried out by the Armed Forces in Rio de Janeiro, will not resolve the drug problem if drugs continue to enter the country illegally through the borders and airports.

Editorial Notes 'Decisive' Clinton Role in Mexican Crisis

PY1401003195 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Jan 95 p A3

[Editorial from the "Notes and Information" page: "Rescue Operation"]

[FBIS Translated Text] The psychological offensive unleashed to stem the fall of Latin American stock exchanges has apparently started yielding good results. After growing by 7 percent on 11 January, the Sao Paulo Stock Exchange registered a growth of 9.75 percent on 12 January, an increase that remained firm all day long and consolidated late in the afternoon, when a general recovery was confirmed. Stock exchange operations certainly emphasized the effects of the Mexican crisis: Some psychological action was necessary to stop the expansion of a fall that was affecting countries that have nothing to do with the situation in Mexico.

President Bill Clinton's intervention was undoubtedly decisive: It served to show that the U.S. President is aware that it is not only the Mexican economy that is at stake, but the economies of all Latin American nations at a moment in which, after years of effort, those economies had managed to resolve the problem of their foreign debts. Washington did not merely state that it might expand its aid to its NAFTA partner; it also pressured the World Bank and the International Monetary Fund to issue statements in order to give less dramatic dimensions to the events in Mexico. IMF managing director Michele Camdessus even said that he believed Mexico would rapidly recuperate. Sebastian Edwards, the World Bank chief economist for Latin America and the Caribbean, made identical statements, saying that in his opinion "the international financial community overemphasized the case."

While noting that it is only sophisticated investors who can properly analyze the situations of countries, Edwards advised our authorities to clearly show the differences between Brazil and Mexico. This is what new Central Bank President Persio Arida tried to do yesterday. He emphasized that, beginning with the external accounts, there is a deep difference between Brazil and Mexico. Flanked by new Central Bank Director Francisco Lopes, Arida showed that we are even better than Chile, which over the past two years has registered balance of payment deficits. Francisco Lopes said that the reserve/current account deficit ratio should be the basis for an analysis of an economy. In the case of Mexico, this ratio is at 0.73, for Argentina, 1.09, for Chile, 8.79, and for Brazil, 19.54. There is an impression that Brazilian monetary authorities do not intend to modify the exchange rate policy because of the Mexican case. Meanwhile, Brasilia is determined to tackle the problems in close cooperation with Argentina: A crisis in that country would affect us much more strongly. Yet it is good to avoid harboring any distrust caused by the stock exchange market.

Cardoso Decides To Grant Audiences to Lawmakers

PY1301203295 Rio de Janeiro JORNAL DO BRASIL in Portuguese 12 Jan 95 p 2

[Article by Carmen Kozak]

[FBIS Translated Text] Brasilia—President Fernando Henrique Cardoso has backed down on his position, and has decided to grant audiences to lawmakers. Cardoso, who intended to leave political coordination matters to the members of the Political Council, yielded to the arguments of allied party leaders. They convinced the president that contacts with lawmakers are important for neutralizing sources of dissatisfaction. The audiences should begin in a couple of weeks.

According to someone close to the president, the decision to personally talk with lawmakers does not mean that Cardoso has "opened space for minor discussions." The idea is to come close to the new Congress, which will be installed on 1 February, when 60 percent of the old Congress will be renewed. Says a major PFL [Liberal Front Party] leader: "I don't believe a deputy or senator who knows the president a little bit will use an audience to ask for favors or address minor affairs." Minor political affairs, the PFL leader said, should be addressed by party presidents and party leaders.

Major PFL and PMDB [Brazilian Democratic Movement Party] leaders are concerned, however, about the splitting up of the president's political coordination functions. Under current rules the president has no specific spokesman for a dialogue with Congress. This task is being undertaken simultaneously by Vice President Marco Maciel, by the still unofficial government leaders, by the presidents and leaders of the six allied parties (PMDB, PSDB [Brazilian Social Democracy Party], PFL, PTB [Brazilian Labor Party], PP [Popular Party], and PL [Liberal Party]), and by the four ministers directly involved with the constitutional reform—Justice Minister Nelson Jobim, Planning Minister Jose Serra, Finance Minister Pedro Malan, and Social Security Minister Reinhold Stephanes. "This formula does not work. There must be someone to give the final word," a government ally said.

Evaluation

PFL President Jorge Bornhausen prefers not to fuel external debate on the problem. He said the president is the government's political coordinator, while actions are being coordinated by Vice President Marco Maciel. "When the new Congress is installed, the argument that the government has no spokesman will end," Bornhausen said.

Another Political Council member also believes it is too early to engage in discussions. He believes that by the time the new Congress is installed, President Cardoso will have already resolved the problem of the lack of a spokesman for contacts with Congress. He reported that over the next 20 days the president will evaluate the efficiency of the Political Council and, above all, the personal performance of each one of its members. "It is an important stage that will make it possible to know who qualifies for the function," he said.

Finance Minister on Privatization of State Banks

PY1301135795 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 12 Dec 95

[FBIS Translated Text] The privatizations of the Meridional Bank and Bank of Ceara State will mark the privatization of the official banks. This was announced by Finance Minister Pedro Malan, who added that the streamlining of federal and state banks represents the backbone of the Real Plan monetary policy. The only banks Malan excluded from an eventual privatization are the Bank of Brazil and the Federal Savings Bank.

Meanwhile, Civilian Household Chief Clovis Carvalho reported that the government is preparing the merger of the Brazilian Northeastern Bank and the Bank of Amazonia. The economic team, he said, has concluded that the two banks no longer meet the objectives for which they were created and they need to be reoriented.

'Positive' 1994 Capital Arrival, Remittance Balance Noted

PY1301173195 Sao Paulo AGENCIA ESTADO in Portuguese 1935 GMT 12 Jan 95

[FBIS Translated Text] Brasilia, 12 (AE)—Securities and Exchange Commission (CVM) President Thomas Tosta de Sa today released information obtained in the market demonstrating that $20.532 billion worth of foreign capital arrived in Brazil and $16.778 billion was remitted abroad during 1994. Therefore, the balance was positive, amounting to $3.754 billion. In order to calm the market, Tosta de Sa said that the $3.754 billion continues being applied mainly in the stock exchange, demonstrating foreign investors' interest in Brazil.

The CVM president pointed out that this money corresponds to what entered the country through the conditions described in Annex IV, which is a document that regulates the remittance and application of foreign capital by institutional investors, such as pension funds, in the Brazilian financial market. Tosta de Sa also said he favors eliminating the 1 percent Operations Financial Tax (IOF) charged on capital when applied in the stock exchange, although he considers "such a percentage insignificant," that is, "incapable of affecting investors' decision to apply their money in Brazil."

Tosta de Sa said that the CVM was releasing market statistics because it did not have official information from the Central Bank. That is why, he said, the Central Bank should release such information daily, "because it is important news for the market, which calms other investors."

Of the total $1.811 billion of foreign capital that arrived in Brazil last December through Annex IV, 33.1 percent came from North and Central America, 21 percent from Europe, 11.3 percent from South America, and only 1.5 percent from Asia and Oceania. The small participation on the part of capital from Asia is due to the fact that only in June did Japan regulate applications by its institutional investors in Latin America.

Chase Manhattan, according to the information released by Tosta de Sa, led the ranking of administrators of foreign capital applied in Brazil through Annex IV, followed by Citibank DTVM [expansion unknown], Garantia Bank, Bank of Boston, Pactual Bank, J.P. Morgan DTVM, Unibanco, Commerce General Bank, Matrix, and Economico Banks.

December Trade Deficit 'Mistake' Affects Market

PY1601145095 Sao Paulo AGENCIA ESTADO in Portuguese 1225 GMT 16 Jan 95

[FBIS Translated Text] Sao Paulo (AE)—On a day that is a holiday in the United States, the market opened with a willingness to make profits, after the rapid price increases registered last week. The decline, however, is bigger than expected. Brokers told AGENCIA ESTADO that big players [preceding word in English] are using the December balance of trade deficit—which, despite the government-announced figure of $47 million, could stand as high as $1 billion—to "knock down" prices. The most alarming aspect of the problem is the discrepancy between the figures: There is a big difference, and although officials have said that it was a "mistake," the insecurity on the market leads to the idea that an attempt at "cosmetic" change was involved. The factor that makes this concern rather relative is that, because of Christmas, there was actually a big demand for imports in December, and this will not occur again in January, during which transactions run more slowly. In addition, if imports were expected to grow—if nothing else, because it was part of a government policy—the economic team has already shown that it should not maintain the same rate of opening of the economy. "There was a deficit in December, but from now on the situation will change," says an experienced executive of a major market institution, who believes that the market should recuperate today. "The market, as usual, always exaggerates," says the stock exchange department manager of another major institution. Exaggeration for some people, true insecurity for others—the consensus in stock exchange boards this morning is that the government still has to give a good explanation for such a gross "mistake." It is no coincidence that the exchange and interest markets, as well as the share market, are reacting to the event. A few minutes ago, Ibovespa [Sao Paulo Stock Exchange Index] registered a decline of 4.62 percent, the futures index fell 5.337 percent, and Telebras [Brazilian Telecommunications, Inc.] shares dropped 5.56 percent, standing at 32.30 reals.

Trade Deficit Figures Pressuring Interest Rates

PY1601150495 Sao Paulo AGENCIA ESTADO in Portuguese 1236 GMT 16 Jan 95

[FBIS Translated Text] Sao Paulo, 16 Jan (AE) — Interest rates are also reflecting the distress that has been generated by the reports about December's estimated trade deficit. Although there will be no immediate impact on interest rates, some operators admit that the report on the trade balance has helped to maintain the behavior of the market on 13 January, when interest rates closed on the increase. In addition, the Central Bank placed funds on the overnight market at 4.47 percent, thus once again confirming the prospect that the cost of money will not come down before the end of the month. The 30-day CDB [Bank Deposit Certificate] up to a short time ago received 53.43 percent per year with a gross yield of 3.63 percent, and yet on 13 January it paid only 52.30 percent. In the futures market, the DI [expansion unknown] opened this month with an effective interest rate of 3.46 percent and 3.16 percent for February when compared with the previous closing of 3.43 percent and 3.13 percent, respectively.

Stocks Recover After Initial Drop Over Trade Figures

PY1701010695 Sao Paulo AGENCIA ESTADO in Portuguese 1946 GMT 16 Jan 95

[Report by Marcia Pinheiro and Mario Rocha]

[FBIS Translated Excerpt] Sao Paulo, 16 Jan (AE)—Stock markets today felt the impact of the "mistake" reported in the calculation of the country's trade balance in December. It has been speculated that from an initial deficit estimated at $47 million, the Brazilian negative trade balance in December could amount to $1 billion. This report fueled speculation that the Brazilian trade figures may have been "doctored" so that the bad news would not coincide with the peak of the Mexican crisis. The "mistake" played into the hands of a market that had advanced by 25.5 percent in just three days—in the case of the Sao Paulo Stock Exchange—which, to a certain extent, was hungry for profits.

Another reason for today's problem was the semiholiday in the United States (Martin Luther King Day), which has kept many foreign investors away from the markets. Amid this backdrop, local stock exchanges declined over the above speculation, but they closed the day very close to the minimum figures. The Ibovespa [Sao Paulo Stock Exchange Index], which had declined as much as 5.90 percent, closed with a smaller loss: 1.15 percent. After declining by as much as 7.51 percent, the Ibovespa futures closed the day with a drop of 0.48 percent.

Some market operators told AGENCIA ESTADO that they expect the markets to rise tomorrow, following the scare and perplexity provoked by the Brazilian foreign trade figures. They believe this because the indexes have already made a major recovery today. Many operators believe, however, that everything will be dependent upon the unfolding of some external and domestic developments. On the external front, the negotiations for the U.S. disbursement of a $40 billion loan to Mexico continue to be closely followed.

On the domestic front, the market will closely watch the following: a) negotiations concerning the proposal to allow private companies to perform public services through a system of concessions, negoations which are now being personally conducted by President Fernando Henrique Cardoso; b) a decision on budget cuts to be announced this week by Planning Minister Jose Serra; and c) the unfolding of negotiations regarding Provisional Measure 812, which establishes new rules on taxation. [passage omitted]

Financial Market Starts 16 Jan Operations 'Under Pressure'

PY1601165695 Sao Paulo AGENCIA ESTADO in Portuguese 1234 GMT 16 Jan 95

[FBIS Translated Text] Sao Paulo, 16 Jan (AE)—The exchange market opened operations under pressure today. With regard to the exchange rate for trade transactions [dolar comercial] in the initial dealings or transactions, the dollar was sold at 0.851 reals [R]. Some deals even closed at R0.853. Operators have identified two factors pressuring the dollar: 1) another day of significant withdrawals on Friday, 13 January, when liquid remittances amounted to $284 million ($275 million through the the financial market and $8.9 million through the commercial market, and 2) the disclosure by the Faxpaper on 13 January that the December trade deficit would amount to almost $1 billion, while the official information puts the figure at $47 million. These two factors had an impact on the market atmosphere for correlative yet at the same time very different reasons: The second factor strengthened uncertainty regarding the exchange policy; also, the growth of the trade deficit, the main component of the current account deficit, may renew the drawing of analogies between the Brazilian and Mexican economies. The first factor could have a more direct impact, because it may affect the dollar flow that balances the market exchange rate, however, operators believe that Friday's developments are the result of a "delayed" effect of the significant fall experienced by the exchange market on Monday, 9 January, and Tuesday, 10 January. From today, the dollar flow could tend to be determined by the financial activities as of Wednesday, 11 January, when the stock exchange started to recover. Moreover, the market operators are counting on a gradual recovery of the ACC [advanced exchange contracts] as of this week, when the Central Bank starts to return the tax on ACC's.

Chile

No Formal Objection to Laguna del Desierto Ruling Expected

PY1301211995 Buenos Aires TELAM in Spanish 1539 GMT 13 Jan 95

[FBIS Translated Text] Santiago, 13 Jan (TELAM-SNI)—Newspaper sources indicated today that Chile will not request the annulment of the arbitration ruling that deprived Chile of 530 square km of the Laguna del Desierto.

EL MERCURIO published on its first page that an effort will be made to request some kind of objection to the ruling of the Latin American arbitration court, which by three votes to two ruled against the Chilean position last October.

This decision was made after a meeting yesterday of the National Security Council (Cosena), at which President Eduardo Frei listened to the opinions of the military leadership, including an evaluation by General Augusto Pinochet. The council members decided to act with caution.

EL MERCURIO added that the three commanders of the Armed Forces and Senate President Gabriel Valdes agreed on the need to seek a revision of the ruling, but without implying a formal objection.

According to the press report, another Cosena member, Supreme Court President Marcos Aburto, said that an objection to the ruling could be unanimously rejected by the arbitration court—which acts as a reviewing body of its own decision—and would be "risky."

In any case, the final decision will be made by President Frei, after reading the report of the three jurists and listening to the opinions of the members of Cosena, which is a crucial organization for agreement between civilians and military leaders.

Cosena is made up of the commanders of the Armed Forces, the Senate president, the chief of the Carabineros (militarized police), the Supreme Court president, and the comptroller general.

The revision request, perhaps attached to a state declaration reiterating the Chilean position, must be submitted before 15 February, when the ruling goes into effect, and after the border demarcation period.

Frei Promulgates New Law on Drug Trafficking

PY1301214695 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 13 Jan 95

[FBIS Translated Text] Interior Minister Carlos Figueroa has announced that President Eduardo Frei today promulgated the law punishing drug trafficking.

[Begin Figueroa recording] The Constitutional Court objected to a couple of articles in the law that was promulgated today. The questioned articles refer, basically, to the National Defense Council's jurisdiction over the seizure of documents, and the investigations it is authorized to carry out. We hope to overcome these objections of the Constitutional Court through a new draft bill, but want the National Defense Council to have executive powers in the money laundering problem. [end recording]

Figueroa commented that the government will submit a draft bill to Congress to overcome the Constitutional Court's objections regarding the role played by the National Defense Council in the struggle against drug trafficking.

Colombia

Government Rules Out Reinstating Extradition Policy

PA1701040695 Santa Fe de Bogota Inravision Television Network Cadena 1 in Spanish 0230 GMT 17 Jan 95

[From the "CM& Newscast"]

[FBIS Translated Text] The government today ruled out the possibility of re-establishing extradition. The executive branch maintains that it is best to tighten the surrender policy, which has been rendered ineffective by the neglectful way in which it has been applied.

The idea was resurrected by the prosecutor general and supported by the Constitutional Court president, but the justice and government ministers prefer to correct the surrender policy's mistakes rather than amend the Constitution again so that Colombians can be prosecuted and tried outside Colombia. The justice minister believes that extradition would demand a lengthy process.

[Begin Justice Minister Nestor Humberto Martinez Neira recording] The country should not start to debate extradition at present because such ideas take time to debate and the government must have a political instrument to handle the public order problem. [end recording]

While 31 nationals were in the process of being extradited, extradition was declared unconstitutional four times at the Court before the National Constitutional Assembly shelved it. The government minister believes that this is a dead issue that cannot be resuscitated.

[Begin Government Minister Horacio Serpa Uribe recording] I think there are other available instruments that should be considered, adjusted, made workable, and used so that justice can be properly administered in Colombia. [end recording]

The first steps to put the administration of justice in motion will be taken on Thursday because it has been agreed that it is better to correct than to extradite.

Escobar 'Lieutenant' Linked To Plot To Kill Prosecutor

PA1301213895 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 13 Jan 95

[From the "National Newscast"]

[FBIS Translated Text] The Prosecutor General's Office has just uncovered a plot to kill Prosecutor General Alfonso Valdivieso Sarmiento. The plot was drawn up at Modelo Prison in Santa Fe de Bogota. Juan Diego Arcila Henao, a.k.a. El Tomate and one of Pablo Escobar's lieutenants, is reportedly the mastermind. This is why he was transferred from the Modelo Prison this morning. J.J. Pinilla has the details.

[Pinilla] The Prosecutor General's Office has uncovered a plot to assassinate Prosecutor General Alfonso Valdivieso Sarmiento. We are now at the offices of Deputy Prosecutor General Dr. Adolfo Salamanca. Please provide the Colombian people with the details of this plot you uncovered a few hours ago.

[Salamanca] For some time now the Prosecutor General's Office has been receiving reports that plans were being devised from within the country's prisons to assassinate the prosecutor general. This is why we have taken significant steps regarding certain inmates—specifically those linked to this investigation. We are pushing ahead by filing additional criminal charges against these individuals.

[Pinilla] We understand that one of the people who was held at the maximum security area of the Modelo Prison—the person known as El Tomate—has been transferred from the prison within the past few hours. Is he one of those responsible for the plot?

[Salamanca] Yes. In light of the plot, we have decided to transfer Juan Diego Arcila Henao to (El Barne) Prison in the city of Tunja. We have also decided to transfer other inmates to other penitentiaries to dismantle this criminal plot we have uncovered.

[Pinilla] How did you detect this plot? What led you to think the assassination of the prosecutor general was being planned?

[Salamanca] We have a specialized investigation team that has been conducting many investigations in various cities throughout the country, and it detected the involvement of these people in these plans to assassinate officials in the Prosecutor General's Office.

[Pinilla] You are very kind, Mr. Deputy Prosecutor General. We have to point out that for the first time in many years, the Army entered the installations of Modelo Prison in Santa Fe de Bogota early this morning to prevent any irregular incidents from occurring and to transfer El Tomate to the (El Barne) Prison in Tunja.

Glyphosate Sprayings of Illegal Crops Continue

PA1601041895 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 14 Jan 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Despite opposition against glyphosate spraying, the police today used this herbicide against poppy crops in Huila department.

Nearly 85 sites, including inspectorships and villages, located by the drug police, are regarded as trouble spots. The presence of guerrillas, particularly FARC [Revolutionary Armed Forces of Colombia], keeps the police from getting to the crops. Three reasons must be added to the difficulty posed by this presence: First, the small number of police forces; second, the long distances involved; and third, the difficult access to the crop areas.

According to intelligence reports, FARC's fronts 66, 60, 25, 17, 13, 6, and 3, approximately 700 strong, control regions located as high as 1,800 and 2,000 meters, which are good for poppy crops. In one of these zones, which the station journalists reached, the poppy crops are camouflaged with corn, peas, potatoes, and cabbage. The counternarcotics battle, however, seems endless because seedlings are ready to be planted as soon as the spraying ends. The crops can flourish again after six months.

Power Failure Probable Cause of Airline Accident

PA1701052095 Mexico City NOTIMEX in Spanish 2027 GMT 16 Jan 95

[FBIS Translated Text] Santa Fe de Bogota (NOTIMEX)—Radio Cadena Nacional (RCN) announced today that the commercial airline accident that took place last week in northwestern Colombia resulting in the death of 52 persons may have been caused by a total power failure in the aircraft's engines, as well as a failure in the aircraft emergency unit.

According to RCN, quoting sources close to the investigation commission, the DC-9 owned by local Intercontinental de Aviacion airlines crashed "because its two turbines may have suffered a power failure while in flight and because the emergency unit failed to operate."

"At the time of the accident the aircraft was completely out of power" explained the source from the investigation commission, which is conposed of members of the Colombian Administrative Department of Civil Aeronautics and U.S. specialists.

The same source stressed that "not even the cabin lightbulbs, which were found among the aircraft debris, had any energy."

The aircraft, which had departed from Santa Fe de Bogota, crashed this past Wednesday over a marsh located in the Bolivar Department, barely eight minutes before arriving at Cartagena de Indias, its final destination.

According to the RCN report, the aircraft's captain had just asked for authorization to begin landing procedures.

The investigation commission source pointed out that the U.S. experts sent by McDonnell Douglas, manufacturers of the DC-9, "expressed their surprise not only because the two generators had ceased operating but because the emergency unit never operated."

"The experts remarked that the aircraft could have taken off from Santa Fe de Bogota with the generator already damaged, or that in light of the closeness to the ground, the captain was unable to turn it on," the radio report states.

Intercontinental de Aviacion sources described the reports as "premature" and insisted in pointing out that the aircraft was in excellent condition.

When asked about the accuracy of the report, Civil Aeronautics Chief Alvaro Haad said that he has not yet received an official report from the commission investigating the causes of the accident, of which the only survivor was 10-year-old Ericka Delgado.

The report made public by RCN concurred with a communique by the Colombian Administrative Department of Civil Aeronautics urging all interested parties to await until the investigation had concluded.

According to the document, in light of numerous unfounded reports, opinions, and theories voiced regarding the Intercontinental de Aviacion accident, the Civil Aeronautics Department announces that "the investigation is currently in its preliminary stage, a phase in which there are disclosure restrictions."

He added that the commission of experts "is still gathering evidence, analyzing the tape recordings, as well as technical documentation, gathering parts of the aircraft, evaluating eye witnesses reports, and other required documents."

Today, at the site where the tragedy took place, divers, technicians, and other specialists continue to search for the black box, which is presumably submerged in the deep and murky Maria La Baja marsh.

Meanwhile, 10-year-old Ericka continues to improve at the Cartagena de Indias University Hospital, approximatly 200 Kms from the capital city, and it is expected that she will be allowed to leave the hospital in the next few hours. Her physical health, according to the psychologists looking after her, is satisfactory, however, her emotional condition is somewhat unstable.

Airline Manager Comments on Crash

PA1301202695 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 13 Jan 95

[From the "National Newscast"]

[FBIS Translated Text] The airplane that crashed in Cartagena had reportedly developed mechanical problems last week during a flight to Cali. Many say these problems could have been the cause of the accident. We spoke to the manager of Intercontinental Airline, and he responded to these statements:

[Begin recording] [Intercontinental Airline Manager Alfonso Ramirez Valdivieso] I do not know whether it was that specific aircraft. It could even be another airplane. One of the airplane's tires lost part of the tread, which hit and changed the angle of a flap. There is absolutely nothing strange about that; it is quite normal.

[Unidentified reporter] We have the first reports now about the Intercontinental Airline accident. Could we say one of the engines caught fire?

[Ramirez] What we have found up to now is that the engines' fire extinguishers were unused and full, a finding which would indicate the crew was not faced with a fire hazard.

[Reporter] Private pilots have said airplanes are taking off with excess weight from El Dorado Airport. Are Intercontinental Airline airplanes flying under excess weight conditions?

[Ramirez] I guarantee that Intercontinental Airlines, as well as any other normal airline operating in Colombia, strictly abides by the regulations and that there is extremely careful surveillance thereof. [end recording]

FARC Kills Six Police in Two Departments

PA1401200695 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 14 Jan 95

[Report by Jorge Eduardo Bethancourt and Humberto Leyton from the "Cripton" newscast]

[FBIS Translated Text] Public order was disrupted in the last few hours by rebel attacks on the towns of Caicedo in Antioquia Department and Rio Blanco and Planadas in Tolima Department. The three attacks left six policemen dead. At this hour the fighting rages in Caicedo.

Members of the FARC [(Revolutionary Armed Forces of Colombia] 34th Front took over Caicedo Municipality in the southwestern part of Antioquia last night. The Agrarian Bank and the police garrison were destroyed in the attack. Two police officers were killed and 15 people were injured, including a policeman and a small girl.

Guerrillas also fired at a police helicopter this morning as it approached the area. The rebels used long-range weapons, hitting the helicopter six times and forcing it to flee the municipality. Clashes are still raging between the guerrillas and members of the Army 4th Brigade. The town is under Army control.

[Begin General Rosso Jose Serrano, police commander, recording] I am sad to report that six policemen have been killed; two in Garitania, two in La Herrera, and two in Caicedo, Antioquia Department. The police garrisons came under fire simultaneously at 2300. [end recording]

Here in Tolima Department, guerrillas harassed police positions in La Herrera and Gaitania. The defense minister commented on these incidents.

[Begin Defense Minister Fernando Botero Zea recording] Despite these difficulties, we are controlling public order. A significant number of Air Force and Army troops will be dispatched to the area to contribute to the police work.

FARC Attacks Continue

PA1501035495 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 15 Jan 95

[Reports by Carlos Obando, Fernando Portillo, and Olga Cecilia Guerrerro, from the "AM/PM Newscast"]

[FBIS Translated Excerpt] According to military reports, the guerrilla forces unveiled today a new system. After an attack in the Cruz Narino area, it rescued its injured by helicopter which, of course, could not be identified.

In another two attacks, they killed policemen, civilians, and children.

[Begin Obando recording] Last night, the 34th, 36th, and 5th FARC [Revolutionary Armed Forces of Colombia] attacked the Caicedo Municipality, a town located 200 km from Medellin, in the western part of Antioquia.

The guerrilla column comprised of 100 rebels attacked the mayor's office, the agararian fund office, the police station, the telephone company, and the power station with rifles and rockets leaving the municipality without communications. Eighteen policemen managed to resist until 0700 hours today, when the Army was able to reach the zone and begin pursuing the guerrilla forces to a place known as the icebox [La Nevera]. It was reporrted that two guerrillas were killed and three were injured.

This morning the bodies of two policemen killed in the clash were brought to Medellin, 24-year-old Uriel Bejarano and 33-year-old Dario Gonzalez. Another policeman, Francisco Willes, was brought to Medellin wounded.

It is known that an 11-year-old girl named Joy de Lopera was wounded and was tranferred to Burrao Hospital. [end recording]

[Begin Portillo recording] The attacks of the FARC 21st Front in La Herrera and Garitania, in Planadas and Rio Blanco south of Tolima Department, left three children and two policemen dead, five wounded, and extensive property losses. The rebels arrived at 2100 and 2300 hours yesterday and immediately attacked the police stations. The commander of the 6th Brigade said it was a cowardly act by the guerrilla forces because it caused the death of three innocent people who have nothing to do with the barbarity of the insurgents. [end reording] [passage omitted]

[Begin Guerrero recording] In Garitania, the assault of 100 guerrilla units of the 21st, 36th, and 35th FARC Front and the ELN [Army of National Liberation] was repelled by 10 policemen who fought from 2115 hours until 0330 hours. The wounded policemen were identified as Arnulfo Diaz, Jose Edilberto Tapia, and the wife of another policeman, Gloria Liliana Casas. All are being attended at the Immaculada de Neiba Hospital. [end recording]

Government Implements 'Operation Presence' To Secure Order

PA1401014095 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 13 Jan 95

[From the "National Newscast"]

[FBIS Translated Text] Operation Presence is the Samper Government's new strategy to guarantee national security. The Security Council has just concluded a session in which it decided to bolster the government's social, political, and military presence throughout the nation. The operation got under way today with the defense minister's trip to Chaparral, Tolima Department.

[Begin Defense Minister Fernando Botero recording] 1. It calls for the political presence of top government officials, ministers, and the president of the Republic throughout the country, particularly in those areas in which disturbances of public order occur most frequently.

2. Operation Presence will be implemented in the area of social concerns through considerable social spending by the government via the rehabilitation plan, the social security network, and public investment.

3. There also will be a large military presence to ensure zone control; guarantee peace; and effectively fight subversion, drug trafficking, kidnappings, and common crime. This military presence will not be limited to combat, but it also will include providing support to civilians. [end recording]

The Samper government wants to tighten control to maintain public order because conflicts, although not numerous, have become complex in these five months.

Commentary Views Causes of Putumayo Unrest

95CA0096A Santa Fe de Bogota EL ESPECTADOR in Spanish 8 Jan 95 p 2C

[Commentary by Alejandro Reyes Posada, of the National University's Institute for Political Studies and International Relations]

[FBIS Translated Text] The crisis in Putumayo could become an opportunity to untie one of the knots that have entangled the threads of peace with the guerrillas and the battle against the drug traffic. This is so because, in that region, as in others, the two types of illegality, although based on different rationales for action, appear interlinked. The danger lies in confusing the treatment given to each, so that the drug growers would be treated as subversives, and the latter as drug traffickers. A distinction should be made between the different viewpoints of the conflict precipitated by the glyphosate fumigations imposed on the regional economy's base, so as thereby to derive government policies that will resolve, rather than aggravate them.

There is an explosive social dimension because, since 1970, the oil wealth has been squandered by a corrupt regional caste, and the government has abandoned colonization to its implacable rationale of environmental destruction and human degradation, to make way for the concentration of property. Coca growing saved many peasants from going broke and, therefore, so long as they have no likely alternatives, they are willing to resort to strikes and protest demonstrations in its defense. After all, this is a highly profitable productive system, filling the gap in public and private investment that should be dynamizing the regional economy.

The FARC [Revolutionary Armed Forces of Colombia] have dominated this scenario as forces of security and order ever since the population, led by the parish priests of Puerto Asis, expelled the last Rodriguez Gacha paramilitary groups in 1991. Like some members of the counternarcotics police and other authorities, they receive a share of the profits. Hence, it cannot come as a surprise that the guerrrillas should support the peasant mobilization against the fumigations. This does not mean that the population's interests and those of the guerrillas can be confused. Whereas drug growing is a means of livelihood and a source of personal gain for the growers and traffickers, to the guerrillas it is a source of funds for the war. Therefore, like the war itself, it represents sheer spending, not accumulation.

The decision for massive fumigation of the coca produced in the Valle del Guamuez region, like that in Guaviare, is based on the government's obligation to combat the illegal crops and trafficking. And, from that standpoint alone, it is unobjectionable. Anyone growing illegal products knows the risk entailed in it. Furthermore, the exceptional profits are a special reward, compensating for the possibility of seeing the crops destroyed by government action.

Nevertheless, when the illegal crops exceed the scale of an individual venture and constitute the economic base of a region, as is occurring in Guamuez, the issue assumes a different dimension. It involves determining the legitimate possibilities for development of the majority of peasants, and the government's responsibility for promoting economic alternatives. At the outset, the massive fumigation of coca crops is a widespread attack against the growers, rapidly destroying the regional economy without having coordinated the new types of development that could replace it. Strictly speaking, fumigation is economic sabotage practiced by the government against the population. And sabotage and collective attack are not the best beginning for a coordinated development process.

With this background, it is unrealistic to ask the Putumayo peasants not to resort to de facto means for raising their complaint, if the normal political channels are closed to them because of their status as illegal growers per se. Besides, the government began dealing with the conflict through de facto means. The government's principal economic interest in the region is petroleum development, managed by Ecopetrol [Colombian Petroleum Enterprise]. That is why the demonstrators occupied its installations. By so doing, the peasants are acquiring, de facto, a negotiating capacity from a position of strength, rather than remaining as mere passive victims of the government.

A possible solution to the conflict, which would prevent its escalation to higher levels of violence, would be admission of, and compensation for the mistakes committed on both sides, government and demonstrators, and a search for the common interest. The latter cannot be anything but achieving the economic reconversion of Guamuez to legal products, with strong government support. Any other solution would benefit, primarily, the drug traffickers and guerrillas, the counternarcotics police, and the army, whose interests are inextricably linked to the acceleration of the violent conflict.

Ecuador

Ministry Confirms Incidents on Border With Peru

PA1301145495 Quito Voz de los Andes in Spanish 1200 GMT 13 Jan 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] The Defense Ministry has confirmed incidents took place in the border area with Peru. An official communique stated that Peruvian patrols entered Ecuadoran territory for unknown reasons on 9 and 11 January. In the second instance, they even open fired on Ecuadoran soldiers who fired back, but no side sustained any casualties.

Ecuadoran military authorities said this week's border incident has been resolved. They believe the conflict was properly settled through the conversations held between military patrols from the two countries. They insist these are isolated incidents that cannot disturb peace and harmony in Ecuador.

Army Chief Meets Peruvian Counterpart

PA1601143595 Quito Voz de los Andes in Spanish 1200 GMT 16 Jan 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Army Chief of Staff Francisco Moncayo said the border incident with Peru last week at the Cenepa River has been resolved with an agreement between the chiefs of the Ecuadoran and Peruvian Armies.

Moncayo insisted that tranquillity has returned to the area following the provocations and uncertainty created by the Peruvian Army. The military chiefs of Ecuador and Peru agreed to respect foreign territory and avoid mutual provocations.

Ecuadoran Army Chief Francisco Moncayo made this statement after a mini-summit between the two armies. He is confident that the Peruvian military will respect the cease-fire and, above all, foreign territory.

Armed Forces Deny Concealing Border Occupation

PA1501025095 Madrid EFE in Spanish 0119 GMT 14 Jan 95

[FBIS Translated Text] Quito, 13 Jan (EFE)—The Ecuadoran Armed Forces today rebuffed Leon Febres-Cordero, former president (1984-1988) and current Guayaguil mayor, who is threatening to publish a secret military document in which, he says, the country's military recognizes that for the past two years the Peruvian Army is occupying Ecuadoran territory.

Without stating if that occupation is true, Joint Command Chief General Victor Bayas, Army Commander General Jorge Ortega, Navy Commander Vice Admiral Oswaldo Viteri, and Air Force Commander Lieutenant General Guillermo Chiriboga attribute Febres-Cordero's threat to a feud he has with Defense Minister General Jose Gallardo.

"We strongly reject the incomprehensible attitude of a former president and former commander-in-chief of the Armed Forces, who in order to justify a personal dislike of the defense minister does not hesitate to use secret national security documents, without regard for the consequences that this may bring," the military communique stated.

Gallardo and Febres-Cordero have been openly feuding for the past two years because the former refused "out of social sensitivity"—as he reiterates—to order soldiers to evict low-income families who are occupying Guayaquil Municipality land.

The communique stressed that "the military front is one and indivisible," and after recalling that any decision by the minister is the result of advise and consultation with all the military chiefs, it noted that "any offense on the minister is necessarily an offense on the Armed Forces."

Febres-Cordero stated yesterday, Thursday, and reaffirmed today that when "that occupation" began, Army chief Gallardo hushed it up and that now he has done the same thing and concealed information even to the government in the face of a charge by a deputy that skirmishes were registered along the border last December.

Gallardo denied those incidents took place and just acknowledged the skirmishes of 9 and 11 January between soldiers of the two countries at an area of the border without dividing lines, something that led to an exchange of diplomatic notes between the Quito and Lima governments.

If General Gallardo disproves the accuracy of the secret document that recognizes said occupation "I pledge to hand it over to the press and let them try me if they wish," Febres-Cordero told the press.

The military communique maintained that military authorities "have never been derelict in the strict fulfillment of their duty nor have they distorted or, worse, hidden any information," and they do not intend to engage in a controversy with anybody "on matters of such delicate nature, but they do call the attention of the people on the inadvisability and the grave danger of handling those matters in a demagogic and unthinking manner."

Frank Vargas' Leftist Coalition Analyzed

95SM0105A Quito VISTAZO in Spanish Dec 94 pp 4-6

[Article by Carlos Jijon: "The General's Hour?"]

[FBIS Translated Text] Leading the parties of the Left, General Frank Vargas Pazzos has launched his presidential candidacy and is vying for second place in the public opinion polls with Rodrigo Paz and Abdala Bucaram.

If the elections had taken place last week, it is probable that Jaime Nebot would have faced none other than General Frank Vargas Pazzos in the second round of the presidential elections. Vargas is the candidate of the APRE [Ecuadoran Revolutionary Popular Action] and leader of a coalition of the Left. This information comes from Informe Confidencial, one of the most reliable polling organizations in the country. Although Jaime Nebot, the Social Christian Party candidate, is leading in the polls for the moment with 39 percent of voting preferences, second place is a close tossup between Rodrigo Paz, who had 14 percent of the voting preferences; Frank Vargas, with 13 percent; and Abdala Bucaram, with 12 percent. When you consider that the margin for error is four percent, what is certain is that any of the three in second place in the polls could have been in second place in the elections, if they had been held last week.

However, as there is still a year and a half before the elections, the candidates are still getting ready for them. As distinct from Rodrigo Paz, who has still not revealed if he will be a candidate or not, Frank Vargas is fully committed to the campaign. Last week he announced his candidacy. In the next few days it is probable that he will announce the amalgamation of the APRE, his party, with the old Socialist Party, including also an alliance with the Democratic People's Movement, the MPD.

The truth is that General Vargas already had one experience with the Left, and it did not go so well. In 1988 he was a candidate for the APRE, sharing the ticket with Enrique Ayala in an alliance with the Socialist Party. However, he was unable to persuade all of the Left to unite around him. The Communist Party, better known as the Broad Front of the Left, or FADI, split in two. The dissidents formed National Liberation, a new party, and supported General Vargas. The wing led by Rene Mauge, which kept the former name of the Communist Party, joined with the MPD and supported the candidacy of Jaime Hurtado.

With the Socialists

In 1994 things have been significantly simplified. With the eclipse of the Soviet Union the FADI, or the old Communist Party of Ecuador, has practically disappeared. And the Socialist Party, the oldest group, also seems about to disappear. So much so that its principal theoreticians are trying out an extreme course of action: amalgamation with the APRE of General Vargas. Enrique Ayala, who had already, at the beginning of the 1980's, tried out a new format for the then dead Socialist Party with some success, explained: "The APRE does not have much of a structure, but it has the support of a lot of voters." His reformulation of the Socialist Party was based on bringing together officials of the old party and a dissident group known as the Revolutionary Socialist Party, the PSR. Now, 10 years later, that model is once again worn out.

In any case, despite the opposition of one group of socialists, among them Diego Delgado, a member of the National Congress, it seems that unity with the APRE is already a fact. According to present plans, the new party will be led by General Vargas, but it will have a secretary general, who certainly will be a socialist. Gustavo Larrea of the APRE, who was elected to the National Congress from Pichincha and is a supporter of the general, has said: "We have decided to unite with the socialists in a process which does not exclude anyone in any way."

The presence of Larrea in the APRE is important to illustrate the contradictory essence of the general's party. The APRE is a party in which a large number of its associates are retired members of the military. (There is at least one retired military man on almost all of its provincial committees.) Also present in it are former members of the Movement of the Revolutionary Left (MIR), a very small organization dedicated to insurrection that advocated armed struggle in the late 1970's. After successive splits it turned into the Rainbow Movement (MAIS), which entered the APRE in 1992.

What About the MPD?

The MPD, which strongly opposed the general in the 1988 elections, is now evidently interested in winning a vice presidential candidacy for Juan Jose Castello or Maria Eugenia Lima. Gustavo Larrea has said: "The MPD is a respectable political force that has gone through a very important process of modernization." He was referring to a new stage in the MPD, under the leadership of Luis Andrade, an architect, who has converted this previously sectarian Maoist movement into a political party with eight deputies who tend to form consensus alliances with the other groups of the Left. Jaime Duran, director of Informe Confidencial who agrees with the process of modernization of the MPD, has said: "The MPD has a steady share of about six percent of the national electorate."

All things considered, the true electoral strength of an alliance between the APRE, the Socialist Party, and the MPD lies in the presence of General Vargas. And he knows this. As a result, although he is searching for a broad alliance of the Left, he is not sure that the vice presidential partner on his electoral ticket should be someone from the MPD. According to sources close to him, he is seeking to obtain the support of the Left for a political front that will not necessarily be communist. For this reason he is looking for someone with a profile similar to that of Raul Patino, the socialist deputy who placed third when he ran in 1992 for the position of mayor of Guayaquil.

The Future

However, is it possible that the general really thinks that a front of parties of the Left can be an electoral option in Ecuador? The fall of socialism in Eastern Europe created the perception that the Left was disappearing throughout the world. That view may be mistaken. About one month ago Luis da Silva, of the communist Workers Party, ran second in the Brazilian presidential elections.

Jorge Castaneda, a student of Mexican politics and author of "La utopia desarmada" ["Utopia Dismantled"], a book that analyzes the future of the Left in Latin America, has said: "In Latin America the most powerful argument of the Left was never the viability of the alternative program it proposed." He continued: "To the extent that poverty, injustice, and oppression are the factors that move people to express themselves, the disappearance of the socialist world is a secondary element in the destiny which the Left will experience."

Let us see. Between 1982 and 1994 the per capita gross domestic product not only did not grow but declined from $1,337 to $1,171, one of the lowest in the region. In 1994 unemployment and under employment affected 15 and 51 percent of the economically active population, respectively. About 45 percent of the population under five years of age suffered from chronic malnutrition. Barely 30 percent of the children completed nine years of basic education.

It is true that, after the economic debacle of the Soviet Union, Eastern Europe, and Cuba, statist and closed economic policies enthuse almost no one. As a result there is no impression that General Vargas is capable of proposing a saleable, coherent, and well founded alternative to the consensus supporting the free market.

In reality the features of the government which the general's advisers describe are rather those of a centrist, economic policy. They imply a renegotiation of the external debt with more discounts and lower payments on it. However, the theory of "We will not pay" has been discarded. The features of this government will include more social spending on education, health, and housing. The program advocates less privatization and favors state control of what are considered the strategic areas of the state: hydrocarbons, telephones, and electricity. The program implies less trade openness and advocates a more selective kind of trade. However, this does not mean a return to total protectionism.

Rather than a program of an alliance of communist parties, the program of General Vargas' advisers more closely resembles the program of development-oriented governments already experienced by the Ecuadoran people. However, in spite of everything, according to Castaneda (the student of Latin American politics already mentioned above), Latin America tends to move toward the Left and toward populism during periods of prolonged economic crisis. At least, this was the case in the 1930's and 1940's, with the rise of the populist governments of Lazaro Cardenas in Mexico; Getulio Vargas, in Brazil; and Juan Domingo Peron, in Argentina. Castaneda has said: "However, a significant and long-lasting deterioration in the economic and social situation, coincident with a broad process of democratization, gave birth, and could give birth again, to Center-Left or populist governments. In any case the idea that Frank Vargas could be the Ecuadoran edition of Lazaro Cardenas, Getulio Vargas, or Juan Domingo Peron is a possibility that still remains to be seen.

Peru

Ecuador Urged To Solve Border Conflict 'Through Dialogue'

PY1301225195 Madrid EFE in Spanish 2134 GMT 13 Jan 95

[FBIS Translated Text] Lima, 13 Jan (EFE)—The Peruvian Government today urged Ecuador to overcome "through dialogue" the border conflict caused by clashes between troops of the two countries over the last few days.

In a communique issued today, the Peruvian Foreign Ministry urged Ecuadoran authorities to "make greater efforts" to overcome the crisis through "a constructive and realistic dialogue ... within the context of the integrationist ideals that inspire the countries of the hemisphere."

The communique also confirms that the armed clashes took place on 9 and 11 January "in Peruvian territory near the Canepa River," and points out that the Peruvian soldiers "reacted to shots fired" by the Ecuadoreans.

On 12 January the Ecuadoran Government reported that the incidents took place on its territory, and that the Peruvian soldiers were the first to fire shots.

The Peruvian Foreign Ministry has asserted in this regard that "it is determined to exhaust all resources at hand to clarify the incident through diplomatic channels with the Ecuadoran Government" in order to guarantee "peaceful coexistence."

The communique states that these talks must take place within the framework of "the principle of respect for international treaties, in particular the Rio de Janeiro Protocol of 29 January 1942," which establishes the current borderline between the two countries.

Ecuador, however, has ignored the mentioned Protocol since 1960, when it unilaterally declared it "void" after asserting that it had been imposed by force, and claiming that the Peruvian Amazon territory belongs to it.

Peruvian Foreign Minister Efrain Goldenberg today asserted during a news conference that it is understandable that there are different versions from the two countries on where the clashes took place, as the border has not been demarcated in that zone.

He also disclosed that his government had protested before the Ecuadoran Government for what it believes is "a violation of Peruvian territory" by Ecuadoran troops.

The protest was expressed to Ecuadoran Ambassador to Lima Gustavo Ruales, who was given a copy of the Peruvian Foreign Ministry communique by Foreign Ministry Secretary General Eduardo Ponce at the latter's office.

Goldenberg explained that the lack of landmarks in the zone where the clashes took place is the reason why Ecuadoran soldiers enter Peruvian territory, and vice versa, quite often.

The minister added: "In view of the fact that this can happen quite often, the Ecuadoran and Peruvian Armies have mechanisms that allow them to resolve the problem, and these mechanisms were also used on this occasion."

Peruvian media confirmed the minister's version, and said that as the problem had been resolved through these mechanisms it "seems odd that the Ecuadoran authorities have unnecessarily created a diplomatic incident."

The media also noted that the clashes on the Ecuadoran border "oddly enough happen every January, near the anniversary of the signing of the Rio de Janeiro Protocol."

Moreover, Goldenberg announced that Peru wants to maintain excellent relations with Ecuador, and that the official invitation for Ecuadoran President Sixto Duran-Ballen to visit Peru is still open.

Peruvian President Alberto Fujimori invited Duran-Ballen to visit Peru in 1992, but the visit has been postponed on several occasions due to internal political pressure, and he will probably never make it, according to Ecuadoran media.

Government Extends State of Emergency in Cusco

PA1401195695 Paris AFP in Spanish 1655 GMT 14 Jan 95

[FBIS Translated Excerpt] Lima, 14 Jan (AFP)—It was officially learned today that the government extended the state of emergency 60 days, beginning today, in several provinces of Cusco Department where "subversive actions continue." Cusco is 1,300 km southeast of this capital.

At the request of the Armed Forces Joint Chiefs of Staff, the government issued the decree, which affects Paruro, Acomayo, Chumbivilcas, Canas and Canchis Provinces. This supreme decree was published in EL PERUANO, the official gazette.

Consequently, constitutional guarantees will remain suspended and the Armed Forces will maintain control of public order in the specified area. [passage omitted]

Uruguay

'Strict Security' Implemented for Visit by Israel's Peres

PY1301143295 Montevideo Radio El Espectador Network in Spanish 0900 GMT 13 Jan 95

[FBIS Translated Excerpt] Strict security measures have been implemented in view of the arrival of Israeli Foreign Minister Shim'on Peres this afternoon. Perez will start his official visit to our country at approximately 1500.

The Immigration Department and intelligence agents have been carrying out special control operations at border crossings for the past several days in order to prevent the entry into the country of any suspicious individuals who might be a threat to Foreign Minister Peres.

Shim'on Peres will travel under heavy police escort from the airport to Plaza Independencia, where he will place a flower wreath at the Artigas [independence hero] Mausoleum [passage indistinct] will then drive to the Foreign Ministry to meet with Uruguayan Foreign Minister Sergio Abreu. [passage omitted]

President-Elect Meets With Peres

PY1601173195 Madrid EFE in Spanish 1844 GMT 14 Jan 95

[FBIS Translated Text] Montevideo, 14 Jan (EFE) — Uruguayan President-elect Julio Maria Sanguinetti today stressed that Israeli Foreign Minister Shim'on Peres, with whom he met on 13 January, is a champion of peace.

"Shim'on Perez is one of the champions of one of the most important peace efforts that is being carried out in the world. He is one of the protagonists of our times, and his visit to Uruguay is a very great event," Sanguinetti stressed.

The president-elect recalled that he had met Peres in times of war, "but even then he had the firm conviction that there would be peace in the Middle East."

Sanguinetti traveled for the first time to Israel as a journalist after the 6-Day War, and he returned on an official visit during his tenure as president (1985-90).

"Peres gave us a profound vision regarding the development of the Middle East and the problem of fundamentalism, which he considers to be an expression of the rejection and resentment of the social, cultural, and political conditions of the peoples themselves," Sanguinetti said.

The president-elect, who will be installed on 1 March, and the Israeli foreign minister also evaluated the situation of Jordan, "and Peres expressed his confidence that it will become consolidated in the economic and social fields, something Israel believes it has to help with," the Uruguayan politician said.

Peres invited Sanguinetti to visit Israel in the near future, and the Uruguayan president-elect accepted the invitation.

Peres also met with Uruguayan Foreign Minister Sergio Abreu, and he will probably meet with Uruguayan President Luis Alberto Lacalle if the latter returns on 15 January from a trip to the Antarctic, before Peres concludes his visit to Uruguay.

Shim'on Peres concludes in Uruguay a Latin American trip that took him to Venezuela and Argentina.

Peres Meets Jewish Leaders, Denounces Iran

PY1601154395 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1929 GMT 14 Jan 95

[FBIS Translated Text] Punta del Este, Uruguay, 14 Jan (AFP-NA)—Israeli Foreign Minister Shim'on Peres met today with leaders of the Latin American Jewish community to inform them about the peace process in the Middle East and to denounce Iran as the most dangerous country in the world for its alleged support of terrorism.

Peres, who arrived in Uruguay on 13 January, was given a luncheon by the leaders of the Latin American Jewish community in a private residence in the seaside resort, 140 km east of Montevideo.

The foreign minister, who was given the 1994 Nobel Peace Prize, informally explained the current situation in the Middle East and the difficulties that Israel is facing in order to consolidate peace in that tumultuous region, and he warned about the actions of international terrorism against Jewish objectives.

One of the participants stated that Peres said he was willing to hand over to the Palestinians a part of the territories that were occupied during the 6-Day War in an effort to pacify the region, but he emphasized that Israel will never give up the city of Jerusalem.

"Jerusalem is untouchable for the Israelis and it will not become a part of any agreement within the framework of the negotiations (Palestinian leader Yasir) 'Arafat is handling," the participant said.

He added that Peres, 72, reaffirmed during the meeting that "he considers Iran to be the most dangerous country in the world" due to its alleged support of terrorism and violence against Jewish interests at the international level.

The luncheon was held at the summer residence of Argentine magnate Samuel Liebermann, the owner of the largest cable television network in Argentina, who offered Peres the chalet "Charrua Hills" to establish his "headquarters" during his stay in Punta del Este.

An extensive security operation mounted jointly by members of the Uruguayan police and Mosad (Israeli Intelligence Service) agents in order to prevent attacks against Peres modified the usual landscape of this peaceful and fashionable Atlantic seaside resort.

More than 100 policemen armed to the teeth were deployed in the neighborhood of the residence where the foreign minister stayed. Despite the rigorous measures imposed by those looking after him, Peres put protocol aside this morning and decided to take a walk through the center of the town.

Peres walked through the resort's streets and greeted hundreds of people who recognized him. He did some shopping in a bookstore, and then entered a cocktail lounge to have a drink.

During his walk, the Israeli visitor stopped several times to talk in English or French with unknown persons who asked him for his autograph and to pose with them for photographs.

Peres will complete his second to the last day in Uruguay with a private show the Jewish community will give for him in the exclusive Club del Lago, just outside Punta del Este, where the Israeli singer David Dudu Fisher, who came down from New York especially for this occasion, will perform his repertoire.

Lauds Ties, Links Iran to Attacks

PY1601135995 Buenos Aires TELAM in Spanish 1553 GMT 15 Jan 95

[FBIS Translated Text] Montevideo, 15 Jan (TELAM) — Israeli Foreign Minister Shim'on Peres stated today that Uruguay is Israel's best friend in the world. He said this within the framework of a two-day visit during which he lunched with members of the Uruguayan and Argentine Jewish communities.

Peres announced to the media that Israel wishes to improve trade relations with Uruguay "because its policies are excellent."

Uruguay "is our country's best friend in the world," Peres said, recalling that the Uruguayan Government was the first in the world to recognize Israel.

Peres began a two-day visit to Uruguay on 13 January, and he met with Uruguayan Foreign Minister Sergio Abreu and with President-elect Julio Maria Sanguinetti.

"We consider Uruguay to be a great friend, Israel's best friend in the world," The Israeli foreign minister said.

Peres, who received the Nobel Peace Prize in 1994, highlighted the fact that both Latin America and the Middle East "are experiencing a time of very deep changes."

"The 21st century is not going to change the world's geography, but yes, it will change the mentality of its peoples," he added.

It is Peres' opinion that "the bad things of the past must be forgotten and we must concern ourselves with the future, with the best things that can be done for everyone. We desire creation because science and technology and information do not have frontiers."

Peres today lunched with the leaders of the Uruguayan and Argentine Jewish communities in the seaside resort of Punta del Este, 150 km east of Montevideo, and he explained to them the progress of the Middle East peace process, of which he is one of the main figures.

The Israeli minister also plans to meet with important businessmen of the region, whom he will invite to purchase Israeli Government bonds.

Uruguay was the first country to recognize the state of Israel, and an influential and large Jewish community resides in Montevideo.

Peres' visit to Uruguay, amidst some of the most stringent security measures that have ever been seen in the country, will continue until Sunday.

Peres directly linked the Iranian Government to the terrorist attacks against the Jewish Embassy in Buenos Aires and the AMIA [Argentine-Israeli Mutual Association] headquarters.

"Iran is the center of terrorism, of the export of fundamentalism. The Iranian Government is financing the purchases of many fundamentalist groups. Iran is the most irresponsible country," Peres emphasized.

In reports published in today's CLARIN and LA PRENSA, the Israeli foreign minister did not reject the possibility of Syria's connivance in the Buenos Aires terrorist attacks when he pointed out that Damascus "tolerates" the activities of the Hizballah group.

He then clarified that in Damascus there is "a different system. I do not believe that Syria is trying to teach fundamentalism. Iran is doing that. It is true that in Syria some groups have not stopped, but it is not the center of fundamentalism."

Asked whether Argentina's participation in the Persian Gulf war could have acted as a catalyst for the terrorist attacks in Buenos Aires, Peres answered: "No, no. I do not believe so."

Regarding the possibility of a third attack in the country, Peres maintained that "yes, in theory it can happen, although I do not believe that they are so sophisticated, so strong, or so predictable. Measures must be adopted so that these things do not happen again."

"The most important thing (about the precautionary measures) is to keep one's eyes always open to obtain information about suspicious people or suspicious movements. The best way to prevent another attack is for the intelligence service to have information in hand," he added.

Peres referred to the eventual participation of President Carlos Menem as a mediator in the Middle East conflict, and, in this respect, he said that the Argentine head of state "is a serious person, but the problem does not reside in mediation. The problem is to unite the two peoples."

"Menem can play an important role in terms of the psychological factor, but not in the technical negotiations," Peres said.

Finally, Peres pointed out that Iraqi President Saddam Husayn is a "dangerous leader" capable of provoking "another war," as he has already done against Iran and Kuwait.

"If there are enemies, they are not the Arabs or the Muslims, but persons like Husayn," he concluded.

Says Peace Possible

PY1701103395 Buenos Aires LA PRENSA in Spanish 15 Jan 95 p 4

[Interview with Israeli Foreign Minister Shim'on Peres by Ana Gerschenson in Punta del Este; date not given]

[FBIS Translated Excerpt] [Gerschenson] Has Israel offered intelligence support to Argentina to prevent another attack?

[Peres] No, we are coordinating endeavors. The Argentine and Israeli Governments are very close and it is quite understandable that they should compare reports. We do this on an ongoing basis.

[Gerschenson] Why has a fundamentalist group chosen Argentina as a target for a terrorist attack?

[Peres] Well, terrorism has its own policy, a policy that furthers murders and wherever it can commit murders it does so. They have already perpetrated attacks in other countries like England ...

[Gerschenson] And yet do you not think it odd that they should have struck Argentina twice?

[Peres] Yes ... but the truth is that they operate everywhere.

[Gerschenson] The Mosad is known worldwide for its efficiency ... Was there any self-criticism by the Israeli Government following the second attack in Argentina?

[Peres] Israel is not other countries' keeper. Besides, one cannot be perfect all the time. We will discover the culprits sooner or later. Some cases are settled very quickly, others take more time, but in 99.9 percent of the murder cases we find the culprits.

[Gerschenson] Even if three years were to elapse ...

[Peres] Even if 30 years were to elapse we would not forget. That is for sure.

[Gerschenson] Could the attacks—or at least the last one—have been avoided?

[Peres] Mmm ... I do not think it is very nice to start discussing that subject. It has already taken place.

[Gerschenson] Is that all?

[Peres] Yes ... one can always contend that an attack could have been avoided and in some cases it is true, but that is not always the case.

[Gerschenson] What does Argentina have to do in order to prevent a third attack?

[Peres] It must at all times be alert to a possible attack, keep suspects under surveillance. The best way to prevent another attack is to have information from intelligence services.

[Gerschenson] Do you trust Argentine intelligence services?

[Peres] ... No country should evaluate another one. This is not done in foreign relations. I am sure that Argentina is trying its utmost to do things right.

[Gerschenson] When President Carlos Menem travelled to Damascus he said that you had asked him to mediate between Israel and Syria in order to come to a peace agreement. Was that so?

[Peres] All attempts are valid. President Menem is in a very special position given the fact he is of Syrian stock. Nevertheless, people forget that U.S. President Bill Clinton has also been to Damascus several times.

[Gerschenson] Still, did you ask Menem to act as mediator?

[Peres] I cannot charge him with that task since he is the president of Argentina. It was an initiative of Menem himself. He said that he would like to help in the peace process. I accepted and told him that I greatly appreciated that. [passage omitted on previously filed item]

[Gerschenson] With regard to the peace process. Do you think that despite having reached an agreement with Yasir 'Arafat the Jihad and the Hamas are putting a spoke in the peace agreement's wheel?

[Peres] I am not going to give up. I believe that peace is possible and the things Arabs want cannot be achieved through war. The most important thing in life is not the land, nor the nature, nor the number of people, but rather science, technology, education, which cannot be attained through military actions.

[Gerschenson] Saddam Husayn is alive. Does he continue to be a latent threat in the Middle East?

[Peres] He is a dangerous leader. If there are enemies, they are neither Arabs nor Muslims, but people like him.

[Gerschenson] Do you think he may provoke another war?

[Peres] Yes, he could, because he has already waged two wars against Iran and against Kuwait. He may very well wage a third one.

[Gerschenson] Do you then think that there may be another war in the Persian Gulf?

[Peres] No, I do not think so, because he is now under control. Still, Iraq's greatest problem is neither the United States nor Kuwait but Saddam Husayn. He killed more Arabs, more Muslims, and more people than any other leader who is still alive. [passage omitted]

[Gerschenson] What would you tell those Argentines who fear there might be a third attack?

[Peres] That whoever fears terrorism is inviting it to his home. One should not be afraid of terrorism since one can stop it. One can combat terrorism as one combats car accidents. I would recommend that they not be afraid and keep an eye out for suspicious people.

Stresses Nonintroduction of Nuclear Weapons

PY1601163695 Buenos Aires TELAM in Spanish 1854 GMT 15 Jan 95

[FBIS Translated Excerpt] Punta del Este, Uruguay, 15 Jan (TELAM-SNI)—Israeli Foreign Minister Shim'on Peres stressed to the media today in the Uruguayan seaside resort of Punta del Este that his country is not going to introduce nuclear weapons into the Middle East because he wants peace.

The Israeli minister also stressed that "the world is destined to live in peace, and we are very hopeful that an agreement will be reached in the Middle East."

Peres highlighted the fact that he had met recently with Yasir 'Arafat, the leader of the PLO, a meeting that was scheduled as a part of the second stage of the peace program for the region.

The prime minister explained that Israel "has to defend itself from countries such as Iran, which want to destroy it."

He emphasized that Tehran "considers our country a collective of people like Salman Rushdie, referring to the author of the book "Satanic Verses," who has been condemned to death by Islamic fundamentalists because they believe he insulted their religion.

Peres indicated that he felt secure "in any part of the world," and he added that "as an old client of terrorism, the best weapon to combat terrorism is to demonstrate that one is not afraid."

After admitting that the negotiations with Syria have not advanced, he noted: "Israel desires only that all the steps it has taken serve to encourage the peace negotiations."

He also expressed his optimism about reaching an agreement in which the Middle East can become a prosperous zone "with possibilities for investment and isolated from terrorism." [passage omitted]

Venezuela

Prosecutor Requests U.S. Agreement on Financial Crime

PA1701034895 Caracas Venezolana de Television Network in Spanish 0200 GMT 13 Jan 95

[Report by Beatriz Hernandez from "The News" newscast]

[FBIS Translated Text] Prosecutor General Ivan Dario Badell will request that President Caldera establish an agreement or treaty with the United States to allow the country to track the foreign assets of bankers and other fugitives of justice who are being tried on corruption charges. This measure will allow the Prosecutor General's Office to legally track down the assets of the bankers who escaped after being charged for their responsibility in the financial debacle that is currently rocking the country's economy.

[Begin Badell recording] I believe it is necessary to sign such an agreement or a bilateral treaty between Venezuela and the United States so that any person who has committed a crime in Venezuela and takes refuge in the United States can be arrested by Venezuelan authorities and their assets can be seized. [end recording]

Regarding the alleged fraud at the Banco Progreso, Prosecutor General Badell said several prosecutors have already been assigned to the case and are actively working to establish criminal responsibility.

Also in reference to Banco Progreso, Central Bank President Antonio Casas has repeated that the Bank Superintendency has to be reinforced because, evidently, its controls have failed.

[Begin Casas recording] The superintendency has to be reinforced because it has been too weak. I have stated several times that the country has had superintendents but lacks a superintendency. So, the first thing that has to be done is to reinforce the organization and give it the necessary human and economic resources so that it can operate properly. [end recording]

Deputy Finance Minister Luis Manuel Grisanti believes wrongdoers can also be found in the external auditing firms that allegedly endorsed banking irregularities.

Council Approves Transfer of Deposits to State Banks

PA1601015695 Caracas REPORTE DE LA ECONOMIA in Spanish 12 Jan 95 P 2

[Report by Carolina Hidalgo]

[FBIS Translated Text] The Council of Ministers yesterday approved a decree granting the state the authority to assume responsibility, through its own banks, for deposits at financial institutions with liquidity problems.

The ruling follows a Financial Emergency Board decision made last weekend to transfer the deposits held by Banco Progreso to the government's banks because of the capital problems that institution is facing.

This is a new tactic the executive branch is employing to face the financial crisis. It allows the transfer of direct deposit accounts from a troubled institution over to another owned by the Venezuelan state.

The text of Article One of the decree states that "the Financial Emergency Board may agree that the state-owned financial institutions are to assume the liabilities of another financial institution facing financial solvency problems, as identified by the Board."

Article Two authorizes the Deposit Guarantee and Banking Protection Fund [Fogade] to provide the receiving institution with the funds needed to honor the debt.

"The Financial Emergency Board hereby authorizes Fogade to transfer the funds and resources that the banks assuming the liabilities described in Article One will need to meet their newly acquired responsibility. Said institutions will not be required to make any counter deposit at Fogade."

Article Three defines the mandatory nature regarding Fogade: "Fogade is obliged to comply with the Financial Emergency Board decisions, pursuant to Article Two herein."

Finally, Article Four states that "Fogade will reimburse these funds automatically with the assets of the bank from which deposits were transferred, for an amount equal to the funds and resources Fogade is required to transfer under Article Two. Fogade will apply the same order of preference used by tax authorities when collecting those outstanding credit balances received as part of said reimbursement assets."

Fogade Accused of Forging Progreso Bank Documents

PA1601231495 Caracas Venezolana de Television Network in Spanish 1550 GMT 16 Jan 95

[From "The News" newscast]

[FBIS Translated Text] Establishing responsibility for the Progreso Bank's collapse has proven quite difficult. Fogade [Deposit Guarantee and Banking Protection Fund] and the Bank Superintendent's Office blame each other, but the stage changed on Monday and the controversy will be resolved at the Attorney General's Office, where the Bank Superintendent's Office will submit evidence allegedly showing Fogade's participation in the forging of documents at Progreso Bank.

The Bank Superintendent's Office was able to obtain Document 419, issued by Progreso Bank's Board of Directors on Friday, 13 January, in which Fogade representatives approved the bank's financial statement without objections. Fogade officials failed to detect or to report credits without guarantees for 47 billion bolivares granted to Latinoamericana Group firms, which should have been reported as losses by the Bank Superintendent's Office. The document in question is evidence against Fogade and according to the Bank Superintendent's Office's legal adviser, Hector Trupial, it shows that Document 418 [as heard], which was used by Fogade to defend itself, was forged.

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